I

G. R. S. IX-5]

Previous references.

File No. 219-16

1916-17

Serial Nos. 1 to 416

(G.F.)

Later references.

G.F. 219-16 & 1516,
B. Jany 18.
4 (71-194 42, 13 April 1920
L&R 15-21 (3, 9, 28, 30)
G.F. 278-25-42.

GENERAL AND REVENUE SECRETARIAT.

P+T. 7-28 (1706)
G.F. 55-35 (2)
" 233-37 (1&2)
GF 107-44 (1, 2)

P 81-E

Serial Nos. 1-416

Part B for August 1917.

SUBJECT.

Mr. K. L. Datta's note on "Reform of Public Works System of payments & accounts".

No. Fel. 7750-99 dated 22-6-1917

Press orders on certain proposals of the Special officer, Mr. K. L. Datta, M.A., re the above.

W D 88—GPB—50,000—24-7-16

Mr. Ferrar

R-733 C. 160 217

29.2.17.

G. R. S. 11] 191 .

GENERAL AND REVENUE SECRETARIAT.

(G.7)

NOTES.

File No. 219/16

FILE HEADING.

Mr K. L. Datta's note on "Reform of Public Works Systems of payment and accounts"

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | File No. 733 of 1916.

Serial No.

H. No. 1405-16

ACCOUNTANT-GENERAL'S OFFICE, CIVIL BRANCH, BANGALORE CITY. 15 JAN 1917

R92

16 JAN 1917

Forwarded unofficially to Comptroller to Govt for favor of opinion.

By order,
For Financial Secretary

4/5 A.G.

R93
12.1.1917

Para VI, of the Summary.

Remedies Nos. 1, 7, 11, 12, 13, 14, 15 and 16 (also the subjects of separate notes of Mr. Datta and I have already expressed my opinion on them. The adoption of all these recommendations is necessary to reduce the transactions of the Public Works Department to order. Nos. 11, 13, 14, 15 and 16 are not new and they aim at only enforcing existing rules which are not now being followed strictly. Nos.7 and 12 are also in accordance with the existing rules or with the objects of such rules. No, 1 has already been introduced in British India and the proposal is only to adopt the same arrangement in Mysore also.

2. Remedy Nos 2.

The payment of even work bills by treasuries is one of the objects of the amalgamation of the Public Works and Civil Accounts introduced in British India. The very large number of

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

Serial No.

bills and payees receipts not submitted for audit shows the defect of drawing money on cheques. The system of payment of work bills by treasuries is calculated to render the financial transactions of the Public Works Department regular and the Account Department should therefore welcome it. I do not see any practical inconvenience to the Department in adopting this procedure so long as claims preferred are based on proper authority. That payments can be made only for works for which there are competent sanctions and allotments of adequate funds is one of the fundamental rules of the Department and the suggestion of Mr. Datta relates only to the procedure for payment and provides for a stricter enforcement of the existing rules. As prevision is proposed to be made for payment in exceptional cases of works undertaken in anticipation of sanction and of allotment of funds, I do not see any objection to follow the suggested procedure for payment of work bills.

Remedy No. 3.

Part of this relating to the payment of contingent expenditure has been proposed in Mr. Datta's note on Payment of Salary, Establishment and Contingent Bills of the Public Works Department at treasuries. The remaining part is

WD 1233—GPB—60,000—1-12-16—S.

Serial No.

incidental to the adoption of Remedy No. 2.

Remedy No. 4.

In regard to claims to be paid at Bangalore the audit of such claims before payment will obviate all objections and the adoption of this suggestion is also desirable. Bills have however to be audited promptly and with the co-operation of the Department in arranging for a regulated flow of bills and for preventing rush of bills in the closing days of months the Account Office will try its best to prevent delay in pre-audit of work bills and issue of cheques therefor.

Remedies Nos. 5 & 6.

All the suggestions for simplification of the accounts work in the Comptroller's and Divisional Offices are feasible and afford relief to them and may therefore be adopted. The new procedure relates to the whole system of payment and accounts and may be introduced in two or three instalments.

Remedy No. 8.

With the adoption of the Civil system of payment of all claims of the Public Works Department, the amalgamation of the two Branches into one office with Branches dealing with the work of the same nature relating to both Civil and Public

NOTE—Contn. sheet.

General and Revenue Secretariat.

S.P. File No. 29 of 1916.

Serial No.

Public Works Departments is necessary.

Remedy No. 9.

The system of letters of credit has been given up in many British Provinces and we may adopt the same procedure. The abolition of allowing monthly credits involves no loss of control.

Remedy No. 10.

There is considerable delay in closing the accounts of works and in submitting completion reports and the proposed revision of rules is necessary.

Remedy No., 17.

The note shows the existing laxity and the need for making the officers concerned realise their responsibilities.

Offg: Comptroller.

Sub.

The P. W. Secy's opinion has not yet been received.

15/1/17

Please remind and resubmit after P.W. Secy's opinion is rec'd

29.1.17

NOTE—Contn. sheet.

GPB—25,000—2 11-14

G. R. S. 12]

General and Revenue Secretariat.

7m File No. 734 of 1916.

Serial No.	
H. No. 1406-16	Forwarded unofficially to the Secretary to Govt., P.W.D. for favor of opinion Abbas By Order 4/5.1.17 for Financial Secretary

GEN. & REV. SECT.
9 FEB 1917

In offl No. 4/PWD
Dated the 8th January
1917.

NOTE—Contn. sheet.

GPB—70,000—17-12-15

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Reform of Public Works System of Payment and Accounts.

A copy of Mr. Datta's note on the marginally noted subject is forwarded, with compliments, to the Secretary to Government, Public Works Department, for information and necessary action, if any.

A.S. - Dec - I
Please study
and put up
a note on
points requiring
action —
VKS 5/1
2

Dutt
4/1

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 81—GPB—60,000—20-7-16

P.W.D. 12]

General and Revenue Secretariat.

G.R. File No. 29 of 1916.

Serial No.

Im. offl No. 46/P W D
Dated the 8 January 1917

In returning Mr.Datta's note on the "Reform of Public Works system of payment and Accounts", I have to make a few observations on the generalisations made in his summary prefixed to the detailed note.

2. It is observed in para 1 that, (a) a large amount of establishment charges held under objection has not yet been regularised, (b) bills and vouchers to the number of 7707 are still due to the Audit office from the Division offices, (c) 795 works have been executed, involving an expenditure of more than Rs 21½ lakhs, without any estimates whatever, (d) in 389 cases, estimates aggregating more than Rs 81¾ lakhs have been exceeded by more than Rs 30¾ lakhs or nearly 37 per cent and (e) provision is made in the Budget for an unusually large number of works for which no estimates have been sanctioned. The cases in which expenditure has been authorised without appropriation or those in which the sanctioned grants have been exceeded need not here be considered, as they are all regularised in reappropriation statements sanctioned in the closing months of the year.

3. A cursory examination of the statements of objectionable items received from the Comptroller, Public Works Branch, for the quarter ending 30th September 1916 shows that the number of items to remedied under the different heads is not so large

NOTE—Contn. sheet.

GPB—3,000—17-12-14

Serial No.

as given in the summary.

(a) The sums outstanding adjustment under establishment charges have been greatly reduced, but advances made to the members of the establishment are being recovered in instalments. Actual figures have not been available for verification. They have been called for and stringent measures will be taken as soon as they are furnished by the Divisions.

(b) The number of bills and vouchers reported to be due from 13 Divisions (including the Mysore Headquarters Range and the P.W. Workshop) is 5,283. The five Divisions comprising the Cauvery Reservoir Works may have about 70 on an average still outstanding. It has not been easy to make out how the number, viz., 5,283, is made up and whether there are more bills than vouchers that are due or vice versa. A detailed statement with the explanations of the officers from whom they are still due has been called for and will be dealt with in the space of the next two or three months.

The importance of reducing the number of bills and vouchers outstanding in each Division has been frequently impressed upon the officers -vide Circular No. 70 dated the 26th September 1911 and No. 11150-2 dated 30th November 1914.

GPB—3,000—17-12-14

Serial No.

(c) From the statement furnished by the P.W. Comptroller for the quarter ending 30th September 1916, it is seen that the number of works stated to have been executed without estimates in the 13 Divisions ~~xixhm~~ is only 90 as against 795 given by Mr.Datta, and of these 90 items, nearly half or 40 items seem to have been since regularised. The remaining 50 works, not so regularised, represent an aggregate outlay of Rs 1,70,000 and not Rs 21,65,000 as stated in the note. Even according to the statement , appendix C of the note, the number of works executed without estimates is 88 involving an expenditure of Rs 2,95,974 up to end of June 1916 in the 13 Divisions.

(d) Similarly, the number of works in which the sanctioned estimates have been exceeded for the same period is only 28 as stated by the Comptroller as against 389, the number given by Mr.Datta, and the amounts by which they have been so exceeded aggregate Rs 73,282 only as against Rs 30,78,000 as stated in Mr.Datta's note.

(e) As regards the large number of works brought forward in the Budget for which no estimates are sanctioned, it may be stated that most of them, if not all, are such as are already matured by the Executive Engineers and which they expect to be sanctioned during the year

GPB—3,000—17-12-14

Serial No.

but are not brought under sanction for various reasons. For instance, estimates for irrigation work are all but completed, save the figures for compensation, which are not often readily available. It takes some time to obtain the approval of the Revenue Department to estimates for irrigation works, which generally accounts for the delay in getting them sanctioned. Of the number of estimates for irrigation works entered in the Budget for 1916-17, 30 are still in various stages of disposal inclusive of those referred to the Revenue Department for approval. Of works provided for in the Budget for 1916-17 for which estimates had not been previously sanctioned, there are only a few that are still under consideration. This is inevitable, as the draft Budget of the P.W.D. is submitted for the consideration of Government four or five months before the beginning of the year to which it relates.

4. I have had no time to go into the other figures given by Mr.Datta. But, I have called for particulars from the Divisions to ascertain the exact situation in such matters.

5. About the rush of expenditure referred to in para II of the summary, copies of the circular orders issued by the Department have been furnished with this office note No. 1 dated the 17th January 1917.

6. Now to the remedies suggested by Mr.Datta

GPB—3,000—17-12-14

P.W.D. 12]

General and Revenue Secretariat. G.P. File No. 129 of 1916.

Serial No.

in para VI of the summary:-

(1) The payment of all salary bills by Treasury officers instead of by the P.W.Disbursers.

This may be adopted as already agreed to in this office note U.O.No. 2 dated the 17th January 1917.In fact, this system was suggested by this office some years ago.

(2) Regarding payment of work bills by Treasuries, the rules proposed do not appear to provide for payments being ordered by Sub Divisional - - officers and as bills passed by Sub Divisional officers form a good proportion of payments in the Department, considerable delay in payment is likely to result if the Sub Divisional - - officers' powers are restricted. The opinions of all the Executive Engineers have been called for.

(4) The pre-audit of all bills of expenditure by the Divisions in Bangalore is open to objectio in one respect. Should this be enforced, it would not be possible to incur any expenditure on the water supply installations, for which the annual maintenance estimates are generally sanctioned 3 or 4 months after the commence-ment of the official year. They cannot stop work for want of either sanctioned estimates or appropriations. Some margin here is - necessary. Even for budgetted works, the

NOTE—Contn. sheet.

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sanctioned budget is received fully 3 months after the close of the official year; and there may be no provision in it for various incomplete works. If expenditure on all such works should be objected to, no progress could be secured in the first 3 months.

(13)& (14). To rigidly exclude from the Budget, works for which estimates have not been previously sanctioned, is likely to limit the budget grant for Public Works to 18 or 20 lakhs of rupees at least for one year and consequently, there will be a lull in the operations of the Department. In that particular year, the p-ercentage charges on establishment will be out of all proportion to the grant for works, as the sanctioned scale of establishment cannot be reduced because of the small number of works allowed to proceed in that year. Only such works as may be specially authorised by Government to be taken up, though they find no place in the Budget, could be carried out. As they will be very few, the works outlay will not justify the large expenditure on establishment. The rule that no unsanctioned work should be included in the Budget should therefore be worked with caution.

(15) Preparation of revised estimates, the moment it is perceived that sanctioned estimates will be exceeded. This is being insisted on vide Circular No. 57 dated the 17th July 1894.

GPB—3,000—17-12-14

P.W.D. 12]

General and Revenue Secretariat. | F. & R. File No. 49 of 1916.

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(16) Prompt application for additional grants.-

This can be done only in the re-appropriation statements. If it is intended that the sanctioned appropriations should not be exceeded in any one month of the year, Executive Engineers should be allowed to submit at least 3 reappropriation statements in a year, i.e., in October, January and April every year, all of which should be sanctioned promptly by the Financial Department.

7. The other suggestions set forth in the summary may be referred to the Comptroller, Public Works Branch, for an expression of his opinion.

R. V. Sundaram

For Secretary to Government,

Public Works Department.

Bangalore,

5th February 1917.

S.S.

NOTE—Contn. sheet.

GPB—3,000—17-12-14

7-733 WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | S.R. File No. 19 of 1916

Serial No.

Ft. No 1405 of 16

Reform of P.W. payments and accounts.

The P.W. Secy's opinion received is herewith subd. Vide note of 5.2.17.

9.2.17

The chief points on which orders are required in this note of Mr. Datta are: -

Remedies suggested in para VI - Summary.

Items (2) to (6), (8) to (10), (13) & (14) -

2. The Comptroller is agreeable to all the suggestions of Mr. Datta - Vide his F.O. note of 11.1.17 -

3. The P.W. Secretary is not opposed to the most important suggestion - Item - (2).

Item. 2.

Payment of work bills by treasuries on presentation of regular bills instead of, as at present, cheques drawn by P.W. Disbursing officers - He only observes that sufficient provision should be made for payments being advised by Sub. Divisional officers -

"This privilege permitted in the P.W. code is rarely if ever exercised by the S.B. OS in Mysore" (Sd) B.S.

It may be pointed out that Mr. Datta provides for needful permanent advances being given to Divisional or Sub divisional officers to avoid delay in obtaining money on regular bills from the treasuries - paras 6 & 7 - pages 4 & 5, and that even under the existing system S.D.O's are not empowered to draw cheques on treasuries except under certain restrictions - under the P.W. code

Item 3.

x Need in why are this privilege has rarely, if ever, been exercised BS

4. Regarding item (4) Pre-audit of Work bills at Bangalore

Item 4.

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

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Serial No.

The P. W. Secy says that the arrangement is open to objection in respect of the expenditure of the Water supply installations as 'the annual maintenance estimate are generally sanctioned 3 or 4 months after the Commencement of the official year', & that 'some margin here is necy' — He does not however explain why it would not be possible to have the estimate sanctioned before the Commencement of the official year. In fact, the remedy proposed by Mr. Datta is in view to prevent the possibility of irregularity of the above kind — vide items (13) & (14) — to the proposals contained in which the P. W. Secy demurs.

Items (13) & (14)

5. No remarks are offered by the P. W. Secy on the other items — relating to accounts work in the divisional and audit offices &c —

Items (5) & (6) & (8) to (10)

6. As observed by the Comptr, Whatever his whole-hearted support to all the suggestions of Mr. Datta contained in this note, 'the system of payment of work bills by measurements is calculated to render the financial transactions of the P. W. dept irregular' & No practical inconveniences in adopting the arrangements are pointed out by the P. W. dept — The proposals may be adopted:

NOTE—Contn. sheet.

H Secy) —

9.2.17.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

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~~All~~ 2f the suggestions in the note which are summarised in Para VI of the Summary, Nos.1, 7, & 11-17 have already been disposed of in connection with other Notes.

Of the remaining ones, No.2 is the most important. I agree that it may be adopted, but the following points should be made clear. It is stated that when the Treasury Officer pays a Contractor's bill, passed for payment by the Executive Engineer, the Treasury Officer should take the acknowledgment of the Contractor on the bill. This will make personal attendance of the Contractor at the Treasury necessary; for, it is ~~certainly~~ not desirable to treat a passed bill as a Negotiable, ~~Instrument~~. In the case of ~~Pre-audit~~ pre-audit bills, it is mentioned in para 15 of the Note , that a Contractor will be required to acknowledge receipt of payment on the bills themselves when they are delivered to them by the Executive Officers, and then to present them to the Comptroller's Office and to receive a cheque after audit. So, in the one case, the acknowledgment is given only when receiving the cash; in the other case, it is required to be given on one stage before a cheque is delivered.

To require the Contractor to be present ~~at~~ at the Treasury in every case, ~~will not be desirable.~~ may lead to objection. He ~~wants~~ would like to have something which he can endorse and send through a messenger to the Treasury.

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S

Serial No.

However, if the arrangements proposed are accepted by the Contractors and work smoothly, there will be no objection. The point is that these bills passed by the Executive Engineer will not contain the acknowledgment and the acknowledgment will have to be obtained by the Treasury Officers and therefore, personal attendance of the Contractor will be necessary.

As regards suggestion (4) namely, Pre-audit of all bills appertaining to Divisions, located in Bangalore, I am afraid the inconvenience caused to the Contractors will be too much. There will be according to the schemes suggested, the following stages.

1. Contractor presents bill to Sub-divisional Officer,
2. Sub-divisional Officer sends triplicate bills to Executive Engineer,
3. Executive Engineer passes the bill and sends intimation to the Contractor,
4. Contractor appears before the Executive Engineer and obtains passed bill after giving acknowledgment of money received
5. Contractor takes passed bill to the Comptroller's Office and leaves it for audit.
6. The Contractor calls at the Audit Office and gets cheque.

Norman K.D

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2

General and Revenue Secretariat. | S-IP File No. 29 of 1916.

Serial No.

7. The Contractor goes to the Treasury and cashes cheque.

It will be seen that the procedure involves at least 5 to and fro trips on the Contractor before he can get the payment.

In pre-audit procedure, it is also said that in the case of Contractors living at a distance, the Comptroller will send cheques by registered post to the Sub-divisional Officer concerned who will make over to the parties only after obtaining payee's acknowledgment on a separate hand-receipt stamped when necessary and that the receipt will of course be returned to the Comptroller and be attached to the original bill. I am not in favour of a system which would require the Comptroller to be sending a large number of cheques by registered post in ordinary course.

Besides it is not clear how the passed bills in this case will come before the Comptroller.

As regards suggestion 8, details of which are given in para 72 of the note it is contemplated that the Railway Audit Office also should be amalgamated with the Civil Office. I think the arrangement the Government has approved is that that there should be a separate Audit Office for Railways located in Mysore under the control of the Ry Secretariat

I agree generally

NOTE—Contn. sheet.

C. 160 917

27.2.17.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

G.R. File No. 29 of 1916.

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I agree generally about the other suggestions. The Public Works Secretary and the Comptroller may be asked to give effect to them in two or three instalments as suggested by the Comptroller.

M
15.2.17

President
member)

15/2

The subject was considered by the Finance Committee on 16th February 1917 and their resolution in the matter is placed below:-

Gen Secy)

M
16/2/17

NOTE—Contn. sheet.

Extract from the Proceedings of the 7th meeting of the Finance Committee, held on Friday the 16th February 1917.

S u b j e c t.

Reform of the Public Works system of payments and accounts.

Opinion ~~to the Council~~ of the Committee

As regards Mr. Datta's note on the Reform of Public Works System of Payment and Accounts, the Committee thought that all the suggestions may be given effect to and that as the note discloses the administration of the Public Works Department to be very unsatisfactory, a resolution of Government should be issued on the note.,

Secretary, Finance Committee.

Extract from the Proceedings of the 414th Meeting of the Council of His Highness the Maharaja, held at Bangalore. on the 31st March 19 17.

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12. Subject.- (Clause viii of the schedule.)

Mr. Datta's Notes on-

(i) Rush of expenditure and objectionable expenditure.

(ii) Inspection of Public Works Divisional Offices.

(iii) Reform of Public Works System of payment and accounts.

OPINION OF THE COUNCIL.

The suggestions made in Mr. Datta's notes may be approved generally.

The Financial Secretary and the Public Works Secretary should draft an order within a month explaining in detail the existing provisions and the modifications necessary.

The drafts may be considered in Council and submitted for the orders of His Highness.

"EXTRACT"

D. M. Narayana Rao 4/4

Secretary to Government,
General Department.

WD—156—GPB—1,000—19-7-16

G. R. S. 12]

General and Revenue Secretariat. | File No. 29 of 191 6

Serial No.

1. Extract from the Proceedings of the Council is put up. Forwarded with compliments to the Secretary to Government, ...Financial.....Department,.... for favour of necessary further action.

By Order

Secretary to Government,
General Department,

A/s Fin (by 20/4/17)

2. For a draft early, After I have seen the draft it should be sent to P.W. Secy & then we shall meet & discuss.

24.4.17

To be sent to Secretariat Dept by 5

1880

Send with them

3. The two drafts prepared in accordance with the Council Resln dated 31.3.1917 regarding (i) Rush expenditure and (iii) Inspections are herewith sent to P.W. Secy for favour of approval & suggestions. The draft on (iii) Reforms is under preparation & will follow in a few days.

20/4/17

This is also sent for P.W. Secy's approval

18

21.4.17.

NOTE—Contn. sheet.

W D 2382—GPB—500—20-3-16

P. W. Secy.

ED 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

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Serial No.

x, y & z.

7

All the three drafts are herewith returned. They seem to be all right, with the following exceptions:-

x

(I) Draft regarding rush of expenditure - Clause (vi) of para (3) of the Appendix is not suitable and may be omitted. There is no - - necessity to treat the month of June differently from the other months of the year. It is - - impracticable not to pay for works measured after 15th June.

z

(III) Draft regarding reform of Public Works System of payment and accounts. This draft will be suitable only if the alternative ~~(b)~~ para 8 given in the margin is adopted. The proposal in the original draft of this para will - - certainly not suit the convenience of the contractors or the departmental work and has not been accepted by the Public Works - - Department when consulted previously. The Financial Secretary too does not accept it for reasons given in his note dated the 15th February 1917.

T

u

R W Sundaramma

for Secretary to Govt., P.W.D.

Bangalore,
5th May 1917.

The Financial Secretary to Government,
Bangalore.

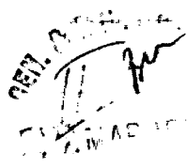
NOTE—Contn. sheet.

P.W.D. 12]

General and Revenue Secretariat.

S-R File No. 29 of 1913.

Serial No.



Un-official No. 46/P.W.D. Dated the 22nd March 1917.

In continuation of this office Un-official No. 4/P.W.D. dated the 6th February 1917, in re Mr.Datta's note on the "Reform of Public Works System of Payments and Accounts", I may state that the Committee of P.W.Officers appointed to discuss the matter have agreed to the remedies suggested in para VI of the Summary with the following modifications in respect to items (4) and (17).

Item 4 - Preaudit of bills of Headquarters Divisions which are detailed in para 15 of page 7.

"This contemplates the transfer of the work that is now being done by the Executive Engineer to the Comptroller. No doubt preaudit is a desirable change. The Committee fails to see how this arrangement will improve matters, with regard to prompt collection of vouchers, when the work of handing over of - - cheques to contractors and obtaining hand receipts from them if entrusted to Sub Division Officers, it is feared that the same difficulties which exist at present may still continue to exist. If the Comptroller's office also places itself in the same position as the Sub Division Offices and give the audit bills to the contractors either personally or by registered post, to be cashed at the treasuries, the above difficulties will be obviated and the system of payments will be uniform throughout the whole State."

NOTE—Contn. sheet.

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P.W.D. 12]

General and Revenue Secretariat.

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Serial No.

10

Item (17) Disciplinary and other steps necessary in order to exercise a more effective control over the administration of the Department.

"Good deal depends upon the efficiency of the accounts staff and if the Accounts Branch exercises proper supervision, many of the irregularities -- brought to light can be minimised or many vanish -- altogether. The present status and efficiency of Accountants requires considerable improvement to exercise the necessary control over the accounts as is expected of them.

For proper discipline of the staff, it is necessary that both the indoor and outdoor subordinates including Sub Division Officers must be kept at least for two years in a station."

2. With regard to the proposal in the concluding portion of para 48 of the note that the post of -- second clerk in the Sub Division offices might be done away with and that the Division office might be strengthened by the addition of one or two of these men, the Committee state as follows:-

"Strengthening of the hands in the Division office to do the accounts work of the Division as per new scheme will depend upon the actual requirements of each Division. This will have to be -- -- ascertained from each Division."

NOTE—Contn. sheet.

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P.W.D. 12]

General and Revenue Secretariat.

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Serial No.

H.E. 20: 2494-16.

17

3. I am of opinion that while adopting the system of payment of work bills by treasuries, the proposed pre-audit of bills relating to the Divisions located in Bangalore may not be given effect to for the present; at least till it is first known how the new system works in practice.

13

4. The progress of works at Bangalore is more important than moffussil works, and it should not be hampered by the proposed pre-audit system which is sure to affect it in spite of the safeguards provided. Moreover, in such a matter as this uniformity of procedure should be aimed at.

Secretary to Government,

P. W. Department.

Bangalore,

27th March 1917.

12 Submitted to Pol Secy - The matter is beyond comment

23-3-1917.

File for back & marked

Pl Secy. 27.3.17

15

I have added a sub para to para 5 and drafted an alternative para 8.

16 These papers may be retyped & the draft sent to P.W. Secy for approval & remarks.

17 Of course P.W. Secy & I are for the

NOTE—Contn. sheet.

GPB—3,000—17-12-14

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

S.P. File No. 29 of 1916.

Serial No.

alternative para 8. as drafted by me. But the Fin. Committee is for the other alternative Both may remain in the draft to enable Govt to choose.

M
21.4.17

NOTE—Contn. sheet.

G. R. S. 12]

General and Revenue Secretariat. | G-R File No. 49 of 1916.

Serial No. 14

The 3 draft orders x, y & z in re P.W. Systems of accounts - prepared in accordance with the Commn resolution - V and approved of by the Fd: H.W. Keys with certain remarks are herewith submitted.

If ordered they will be submitted to Mr. Datta as per Mems of 30.4.1917.

Flag W. - new procedure -

(Genl Key) 18
7.5.17.

Please do so Secy

7/5

(Mr Datta) 18
7.5.17.

T.S.O 124 29.5.17.

20

Please see note & revised draft prompt below.

K. L. Datta
28.5.17

The file is re-circulated to the Members of Council with reference to paragraph 3 of the Council Resolution dated the 31st March 1917.

(page 2 of the notes).

(Members of Council)

Secy (Genl) 29/5
draft revised in accordance with
Secy (Genl) 30/5
approved
4.6 Secy (Genl) 5/6

3348 29.5.17

406 31.5.17

8.6.17.

NOTE—Contn. sheet.

GPB—70,000—17-12-15

Extract from the Proceedings of the 419th Meeting of the Council of His Highness the Maharaja, held at Mysore, on the 11th June 19 17.

---

4. Subject.-Clause viii of the Schedule.

Mr. Datta's note on reform of the Public Works System of payment and accounts.

OPINION OF THE COUNCIL.

The draft order prepared by Mr. Datta may be approved, the pre-audit of all bills for expenditure incurred by the Divisions located at Bangalore being reserved for further consideration.

[illegible]

[illegible]

"EXTRACT"

D. M. Narasimha Rao 11/6

Secretary to Government,
General Department.

WD—156—GPB—1,000—19-7-16.

G. R. S. 12]

General and Revenue Secretariat.

S.P. File No. 49 of 1916

Serial No.

To the Assistant Secretary, Branch II

for kindly submitting the file to the First Member of Council, with a Draft Final Note.

Duly
17/6 18
Today 13/6

D. F. N. with a typed draft prepared in accordance with the Council resolution is submitted.
(1st. member). 18
14.6.17.

3478
15.6.17

c/fd
Leeu
15/6

Fair final note signed by the 1st member
4 post ups
M
15/6/17
Dewan)

7090
16.6.17

18
16.6.17.

NOTE—Contn. sheet.

GPP—65,000—17-C-12.

Final Note by the First Member of Council.

Subject:—

Mr. Datta's note on reform of the Public Works system of payment and accounts.

Mr.K.L.Datta, Special officer, has in his note dated 23.12.1916 suggested certain proposals for the reform of the Public Works system of payments and accounts calculated to remedy certain defects existing in the matter of incurring expenditure by P.W.Officers against Code rules and to avoid the delay in the submission of accounts and vouchers.

2. Mr.Datta's suggestion to adopt the procedure of paying all salary, establishment and contingent bills of P.W.Officers on presentation of bills at treasuries instead of on cheques drawn by the P.W. disbursing officers, as in the Civil Department, was accepted by Government and orders were issued in G.O.No. F1462699/G.F.171-16-2 dated 19.2.1917.

3. The proposal to extend this arrangement to work bills also including the pre-audit of bills at Bangalore was agreed to by the Finance Committee and generally approved by the Council. The Financial Secretary was desired to prepare a draft order, in consultation with the P.W.Secretary, explaining in detail the existing procedure and the modifications required in it.

4. The Financial Secretary and the P.W.Secretary, while agreeing to the suggestion to adopt the procedure of payment of work bills in treasuries, do not, for --- reasons stated in their notes dated 22.3.1917 and 21.4.17, consider that the propsal of introducing the system of

of preaudit to work bills of P.W.officers at Bangalore is calculated to ensure prompt payment of claims preferred by contractors.

draft for approval

5. The draft order prepared by the Financial Secretary and amplified by Mr.Datta was considered in Council.

× Reg Y

6. The resolution of the Council approving of the draft order as finally prepared by Mr.Datta, with the modification that the preaudit of all work bills for expenditure incurred by the Divisional officers at Bangalore be reserved for further consideration, may be approved.

15th June 1918

Submitted to His Highness.

I submit herewith a Final Note by the First *Member of Council on the subject of* reform of - Public Works system of payments and accounts, *for His Highness' gracious approval.*

M. Visvesvaraya

Dewan.

18th June 1917.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Draft order on Mr.K.L.Datta's note on reform of Public Works system of payments and accounts.

Order.

~~KRM~~

20/6/17

Finished

21.6.17

Issued

G. R. S. 12]

General and Revenue Secretariat.

S-7 File No. 219 of 1916.

Serial No. 1

To the Comptroller
" Secretary, P.W.D
" Chief Engineer
" Chief Electric Engineer
" Revenue Com'r
All Superintending and Executive Engineers
Mr K. L. Datta, Special Officer
Other Heads of Depts

Fl 7750-99 Dy 22.6.1917

Passes orders ~~in regard to~~ on the proposals of Mr Datta re Reform of Public Works System of Payment & accounts.

P.T.O

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2.

General and Revenue Secretariat. | G 7 File No. 219 of 1916.

Serial No.

Subd to Financial Secretary for favor of perusal of H. H's notes.

26.6.17.

2. The following communication has since been received,

From the Comptroller

no. G.A.I. 1728 d 25.6.17

Acknowledges receipt of the G.O of 22.6.17 and states that for reasons explained the new procedure will be introduced from 1-8-17 in the Divisional offices, and that Mr Datta's suggestions re Simplification of work in his office & the amalgamation of the Civil & PW Branches, are being introduced.

Subd for orders

26/6. In the circumstances explained the Comptroller proposals might be approved.

7 days). 26.6.17.

Maybe approved.

1st member). 27/6/17

27.6.17

3/12
28.6.11

28/6/17 Dept-Secy.

Take out-board.

NOTE—Contn. sheet.

AVR

Office to show the 1st to Govt Sent. 28/6.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | S.7 File No. 219 of 1916.

Serial No.	
	Draft G.O. Subd 29/6
3.	To all Heads of Depts, all Superintending and Executive Engineers & the comptroller. M. 8170–8219 dy 30-6-17. approving the comptroller's proposal stated in M. 2 above.
4	From the comptroller:– 2425/137 dy 12-8-17 — States that in the G.O. issued in M. 1 above, no permanent advance has been sanctioned to No. IV, Shikaripur Sub-Divisional Office, Shimoga Division, and recommends a permanent advance of Rs. 500/-. Subd. The comptroller states that till now the Shikaripur Sub-Divisional offices had Rs. 1000/- as impest allowed by the Executive Engineer, Shimoga Division. Subd. with a draft, sanctioning the grant of a permanent advance of Rs. 500/-, for approval & orders.

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. II 16 AUG 1917

General and Revenue Secretariat.

313

97 File No. 219 of 1916.

Serial No.

R.O. G.R. 516-17.

Forwarded No. below Mr. Rangaswamy Chetty's compliments for favour of his opinion on the Comptroller's proposal to sanction an imprest of Rs 500 to the Shikarpur S.D.O. Very early return of papers is requested.

180

R Sivaswamy Ayyar
16/8/17.

22 AUG 1917

Memo No. 119/P.W.D. Dated the 17th August 1917

Returned to the Financial Secretary, with compliments.

As stated by the Comptroller, a permanent advance of Rs 500 may be sanctioned in the first instance. If it be found insufficient, it may be increased to Rs 1,000 later on.

Bangalore
21.8.1917
H.R.R.

R Sundaram
For Secretary to Government,
Public Works Department.

GEN. & REV. SECRETARIAT. II FINANCIAL 23 AUG 1917

Draft
18
22/8

Submitted with a draft.
29/8 (1st member).

18
24/8/17

Draft approved by the 1st member.
29/8/17

Issue
29/8

818
29.8.17

NOTE—Contn. sheet.

REFORM OF PUBLIC WORKS SYSTEM OF PAYMENT AND ACCOUNTS.

REFORM OF PUBLIC WORKS SYSTEM OF PAYMENT AND ACCOUNTS.

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SUMMARY.

The administration of the Public Works Department at present is very unsatisfactory from an audit point of view. Rules laid down for the guidance of Executive Officers for regulating expenditure and for submission of proper accounts are not followed and when objections are taken by the Audit Office, no regard is paid to such objections. Salaries and establishment charges to the extent of Rs. 40,879-8-10 drawn during the last few years are held under objection and no steps have been taken to regularise such expenditure. 7,707 vouchers for expenditure incurred aggregating over Rs. 10,00,000 have not been submitted to the Audit Office, and in 2,470 cases out of these, covering expenditure to the extent of Rs. 5,00,000, no bills giving details of the expenditure incurred have been furnished to the Audit Office between November 1912 and June 1916. 292 objection statements issued by the Audit Office have not been replied to at all. Completion reports for works have not been furnished in 2,956 cases. Inspection reports have been submitted bringing to light suspicious cases of fraud to the extent of thousands of rupees, but no action has been taken on these reports although months and years have elapsed. 795 works have been executed involving an expenditure of Rs. 21,65,570 without any estimates whatever. In 389 cases, estimates aggregating Rs. 81,79,706 have been exceeded by Rs. 30,78,083. In 284 cases, Rs. 3,68,262 have been spent without any appropriation and in 192 cases, sanctioned appropriations to the extent of Rs. 14,99,702 have been exceeded by Rs. 3,37,165 and in 10 other cases, the estimates aggregating Rs. 1,01,148 have been largely exceeded, but no revised estimates have been furnished yet. Provision is made in the budget for an unusually large number of works for which no estimates have been sanctioned, the percentage of such works to the total number for which provision was made varying from 27 to 39 per cent during the last three years.

II. Expenditure proceeds slowly during the first 10 or even 11 months of a year and then there is a rush of expenditure in the last month or two, in order to prevent the grants lapsing, the inevitable effect of such a procedure being expenditure of public funds on work badly done and supervised and hurriedly and incorrectly measured.

III. Work in the Audit Office is very dilatory. The accounts are not compiled until the end of the second month after that to which they relate. Objection statements are issued months after and in the meantime, irregularities brought to light continue in subsequent months also.

IV. All these facts clearly show that the state of affairs at present is deplorable and that radical changes are necessary in the existing methods and that stringent measures are essential in the interests of the State, to enforce the exercise of a strict financial control by the supervising and administrative authorities, and the observance of financial rules by the executive officers.

V. The Comptroller's Office was amalgamated with that of the Examiner of Public Works Accounts on 1st January 1907. The two branches of the office are, however, still working quite independently of each other and as practically independent offices, necessitating the employment of a much larger number of gazetted and subordinate staff than is really necessary.

VI. The remedies suggested are—

(1) The payment of all Salary bills by Treasury Officers instead of by the Public Works Disbursing Officers themselves.

(2) Payment of work bills also by treasuries on presentation of regular bills instead of, as at present, by cheques drawn by Public Works Disbursing Officers.

(3) Grant of separate permanent advances to Disbursing Officers for payment of contingent expenditure and for payment of departmental labour and other small items of expenditure, the permanent advances being recouped by the encashment of regular bills from Treasuries and Sub-Treasuries.

(4) The payment after pre-audit by the Comptroller of all bills for expenditure incurred by the divisions located at Bangalore.

(5) Simplification of the accounts work done by departmental officers.

(6) Simplification of the audit and accounts work done in the Comptroller's office so as to ensure a more prompt compilation of the accounts, a prompt issue of objection statements and their prompt disposal.

(7) Submission to Government in the Public Works Department and then to the Financial Secretariat of periodical reports about irregularities which are not remedied within a fixed period.

(8) Complete amalgamation of the Public Works and Civil Branches of the Comptroller's Office, so as to reduce the work and the establishment required.

(9) Abolition of the Letters of Credit system.

(10) Revision of the rules for submission of completion reports so as to ensure greater promptitude.

(11) More regular inspection by the Comptroller's Establishment and Superintending Engineers, of Divisional offices so as to bring to light irregularities and suspicious cases of fraud which can be discovered only by a local inspection.

(12) Steps necessary to prevent rush of expenditure in June.

(13) Prohibition of provision in budget estimates, save for very exceptional reasons, for works other than those for which estimates have already been sanctioned or, it is certain, will be sanctioned before the close of the year preceding that to which the budget relates, and for which the site has been definitely settled and has either been already acquired or will certainly be acquired by the date mentioned above.

(14) Absolute prohibition of the undertaking of any works without sanctioned estimates and appropriations except, in extraordinary circumstances, with the special sanction of Government.

(15) Preparation of revised estimates for works, the moment it is perceived that the sanctioned estimates will be exceeded.

(16) Prompt submission of applications for additional grants as soon as it is apparent that the sanctioned appropriation will be exceeded.

(17) Disciplinary and other steps necessary to enable Government to exercise a more effective control over the administration of the department.

REFORM OF PUBLIC WORKS SYSTEM OF PAYMENTS AND ACCOUNTS.

I. Payment of Work Bills.

I have already submitted a note suggesting the introduction into the State, of the British Indian system of payment of all Public Works salary, establishment, travelling allowance and contingent bills, by the treasury, on presentation of bills, instead of, as at present, by Public Works Disbursing Officers, who obtain the necessary funds from the treasury by means of cheques. The next question for consideration is, "should a similar system be adopted in regard to other payments made by Public Works Officers," the most important of which is the payment of work bills.

Salary, establishment, etc., bills to be paid at treasuries instead of by departmental officers.

2. A statement (Appendix A) is attached showing the number and amount of vouchers for which acknowledgments have not been received in the Audit Office up to the end of June 1916. It will be seen from this that 7,707 vouchers for expenditure aggregating over Rupees ten lakhs have not been submitted to the Audit Office. Payments have been made and included in the accounts of the State as expenditure incurred, but there are no acknowledgments from the payees concerned that they have been paid for work done. Over ten lakhs of Government Funds have thus left the treasury without any valid proof of payment. It is inconceivable how such a large number of acknowledgments could be overdue, if work had been done and payment made. The Public Works Code contemplates cases where there may be difficulty in getting an acknowledgment at the time of handing over cheque or money and provides that even in such cases, the stamped receipt or valid acquittance should be obtained before the cheque or money is handed over. This provision cannot be unknown to disbursing officers of the State and inspecting accounts officers have not infrequently brought the rule to their notice.

Large number of vouchers not submitted.

3. The gravity of the position is, however, further intensified by the fact that for nearly half the unacknowledged outlay, no bills even have been submitted (see the last column of the statement). The funds have been drawn from the treasury by cheques and the amounts have been charged in the accounts, but no details have been furnished to the Audit Office. The statement shows that this has been done in no less than 2,470 cases and that sums aggregating Rs. 4,93,601 have been paid without any bills having been furnished to the Audit Office between November 1912 and June 1916. This indicates a state of affairs which is without its parallel anywhere in British India or probably anywhere else. That vouchers are due in such large numbers and for such large amounts indicates something radically wrong and calls for radical changes in a system which is capable of such serious abuse. The absence of detailed bills shows that either cheques were drawn before work had been done and bills had been prepared, or that having prepared the bills in all their details, the disbursing officers have deemed it necessary to retain them in spite of repeated calls from the Audit Office, as it is hardly conceivable that so large a number of important documents could have been lost by so large a number of responsible officers of Government. Whatever the cause might be, it cannot but be condemned in the strongest language possible. The second cause mentioned above seems however hardly likely and the only conclusion to be drawn is, that it is the first cause, at least in a great majority of the cases, which is responsible for such a serious dereliction of duty on the part of the disbursing officers of the Public Works Department. If the best interests of Government have to be safeguarded, such a system ought not to be tolerated a day longer than can be avoided.

Large number of detailed bills not submitted.

4. It is impossible for me to pursue each individual case, but a few examples of irregular payments by cheques may be quoted. In more than one instance, the Executive Engineer, Shimoga Division, has drawn cheques before payments were due. One such instance is found

Instances of irregular payments.

in the Appropriation Report for 1914-15 in which a cheque is reported to have been drawn for Rs. 3,350-3-0 in June 1914 charged off in the accounts but kept back with the Executive Engineer for over one year, pending, according to his own statement, checkmeasurement of the work by him. Other instances will be found if reference is made to the special report by the Accountant, Hassan Division, in December 1914, about the Executive Engineer making payments for materials without bills and retaining cheques without delivery long after they are drawn. Para 5 (*f*) of the report of inspection of the office of the Kolar-Chikballapur Railway in September and October 1915 by the Chief Superintendent, Comptroller's Office, also furnishes instances of many items of payments where particulars of name of work and number and date of bills are wanting or have been subsequently inserted and also where dates of measurements relating to some of these entries have been altered in the measurement books and bills to make them consistent with the dates of payments. Government have not yet passed orders on this case. Elaborate rules have been laid down for the guidance of the Audit Office for the audit of vouchers for expenditure, but these rules are of no use when vouchers themselves are wanting. From an audit point of view, nothing could be of greater importance than that a detailed bill acknowledged by the payee should be furnished regarding every payment made and charged in the accounts of the State. If this can be allowed to be neglected in so large a number of cases, it is nothing but a farce to maintain a large Audit Office for auditing the expenditure of the State.

Necessity for change in present procedure of payment.

5. The above will abundantly prove that the present system is not working and that a change is called for in the interests of Government. The change should be simple and effective and it should secure that no cash leaves the treasury except on clear evidence that the State has obtained its money's worth as also a valid receipt for the money paid out of its funds and the only way in which this can be done satisfactorily is to make it an absolute and rigid rule that all charges of the Public Works Department will be paid from the treasury direct, on presentation of bills duly passed by the Executive Officers of the department and on the receipt of the actual payees, except payments which can be made from a permanent advance allowed to them for payment for work apart from that allowed for contingent charges and which they should be allowed to recoup from the treasury only by means of bills.

Proposed system explained.

6. Works are executed either under the contract or the piece-work system or by departmental labour. When work is done by contract, a contract certificate will be drawn in triplicate (*vide* para 53) and the original, after audit in the Divisional Office, will be passed for payment at the treasury or sub-treasury concerned and will be made over to the contractor direct or sent to him by registered post. The same procedure will be followed in regard to piece-work bills also. Departmental labour is not common and with the exception of the Cauvery Reservoir works which are carried out wholly by departmental agency and weekly payments for labour on which, amount to Rs. 30,000, the amount of work done by departmental labour in the other divisions is very small, and in all these cases, including those relating to the Cauvery Reservoir works, payments should be made on muster rolls from permanent advances given to the disbursing officers whether they be Executive Engineers in charge of Divisions or Sub-Divisional Officers. The permanent advances should be recouped from time to time by means of bills drawn on the treasury supported by vouchers other than muster rolls and those, the amounts of which are not less than Rs. 25. Divisional officers, before passing these bills for recoupment, will satisfy themselves by a detailed examination that they are supported by all muster rolls and all other sub-vouchers whether their amounts are Rs. 25 or more or less. When passing these bills, the muster rolls and the other sub-vouchers below Rs. 25 should be cancelled by the Divisional Officers concerned and retained by them. Muster rolls are not submitted to the Audit Office at present and the submission of the other petty vouchers to the audit office is also unnecessary. At present, all such vouchers, whatever their amount may be, are submitted here to the Audit Office but in British India, these vouchers, when their amount is less than Rs. 25, are not required to be submitted to the Audit Office. This practice should be adopted here also. Sub-vouchers and muster rolls should not be drawn in duplicates but the forms on which they are drawn should be in coloured paper and should be prominently headed "Not payable at the Treasury."

Bills how to be audited and passed for payment by divisional offices.

7. In the case of bills for recoupment of permanent advances drawn by Sub-Divisional Officers, they should be drawn in duplicate and submitted to the divisional office, supported by all sub-vouchers. The original will be passed by the Divisional Officer who should at the same time cancel the muster rolls and the other sub-vouchers below Rs. 25 in such a way that they cannot be used again. These original bills with the pass order and with the other vouchers will then be returned to the Sub-Divisional Officers for obtaining payment from the treasury. but the duplicate bill will be retained by the Divisional Officers. Contract certificates as well as piece-workers' bills will be prepared in triplicate, one copy being retained in the Divisional Office, one in the Sub-Division Office and the last handed over to the payees with the Pay Order of the Executive Engineer. The copies retained in the Divisional and the Sub-Divisional Offices will bear at the top, the printed impression "Not payable at Treasuries" and may also be in coloured paper to distinguish them readily from the bills payable. The bill to be passed by the Executive Engineer will be audited in the Divisional Office in the same detail in which it is now done and when the Accountant has passed it, it will be put up before the Executive Engineer who will impress a Pay Order stamp on the bill, express the amount payable in words and affix his signature. The bill thus passed will be the Treasury Officer's authority to pay the specified amount to the party, taking his acknowledgment on the bill itself in token of his having received the money. The Treasury Officer will send these paid vouchers to the Audit Office with his bi-monthly lists of payments and will take care to see that the document is a genuine one and that the payee is personally known at the treasury. When it is borne in mind that this is the system universally followed in all the Civil Departments, it will be readily seen that its adoption in the Public Works Department cannot lead to the payment of fraudulently prepared bills.

Payment of bills at Treasuries.

8. If more than one bill is passed for payment on the same day in favour of the same contractor, a single covering bill will be drawn showing the number of the bills included in the covering bill, the names of the works and the amounts, and the covering bill will be passed for payment. In the other bills, a note will be made in each case in the payment order recorded on it by the Divisional Office that the amount of it has been included in the covering bill. Bills will be serially numbered in one series throughout the year. If a bill is lost before payment, a duplicate of it will be prepared and passed for payment only after obtaining a certificate from the Treasury Officer that the bill has not been paid. When such a certificate is once issued by the Tressury Officer, he will not make any payment on the original bill thereafter. In such cases, the fact that the original bill has been lost, will be noted on the duplicate bill under the signature of the passing officer and the duplicate will bear the same number as the original bill.

Compilation of accounts.

9. The Executive Engineer will prepare his accounts on the basis of the duplicate bills retained by him and include the whole of their amounts in his accounts as expenditure even though some of them might not have been paid at the treasury; and at the end of the month, the total amounts of the bills passed for payment will be credited in his adjustment book to the head "Public Works Bills payable" by *per contra* debit to the fund and other heads. Recoveries effected from bills, when creditable to a head or a work, other than the works from the bills for which they are made, should be adjusted through the adjustment book. Fines recovered from a contractor will invariably be treated as a reduction of the charge on the work. The registers which it will be necessary for him to maintain and the accounts and returns which he will have to submit to the account office are described later on. The duplicate vouchers need not also be submitted by him to the Audit Office, which will get the vouchers with the bi-monthly lists of payments of Treasury Officers, when they are paid.

Difference in treatment of work bills and salary, establishment, etc., bills.

10. The payments made by the Treasury Officers on account of these bills will be debited in the treasury accounts to the head "Public Works Bills Payable," and the Comptroller will bring to account the amount of bills passed for payment by the Divisional Officer by *per contra* credit to the head "Public Works Bills Payable." The balance under this head will represent the amount of bills passed for payment by Public Works Officers

but not yet paid by treasury. This procedure will apply only in the case of work bills and not salaries, establishment, contingent and travelling allowance bills, as these will be treated by Treasury Officers like all similar bills presented by Officers of the Civil Department. They will not contain any passing orders by Public Works Officers but will be simply receipted by them in token of having received payment. This absence of a passing order, which will invariably state that the amount is to be debited to head "P. W. Bills payable," will give further help to Treasury Officers to enable them to distinguish these bills from work bills, though the details of the charges given in the bill should be sufficient for the purpose. A treasury pass book will be maintained, as at present, but instead of Letters of Credit and the payment of cheques being noted in it, the Treasury Officer will note in it the numbers and amounts of work bills paid by him. This will enable the Divisional Officer to ascertain what bills passed by him have not been paid at the end of the month and with his monthly accounts, he will send a list of these outstanding bills to the account office which will reconcile the balance of the head "Public Work Bills Payable" with these lists. He will also communicate to the Audit Office without fail, on the last working day of every month, the total amount of bills passed by him for payments at the treasury during the month. The Divisional Officer should take steps to require the bills to be cashed as soon as possible. His register of bills and copies of the lists of outstanding bills will enable him to exercise a check and to secure the prompt payment of bills. The bills should be paid by Treasury Officers only if they are presented before the end of the month following that in which they are passed for payment. Bills not presented within that period should be required to be re-endorsed with a new date by the passing officer.

Register of passed bills.

11. The above system of treasury payments cannot involve any delay in payment or any risk of fraud. As each bill is passed for payment at the treasury or sub-treasury, it will be numbered in the divisional office and the number and date entered in a register with a column for contractors' initials in token of receipt of the bill by the contractor and another column to show the date of payment at the treasury to be filled up from the pass book. Where a bill is sent by registered post, the date of despatch will be noted in the column "contractor's initials." As mentioned already, the number of the bills should be continuous and serial for the whole official year and should include all work bills whether they are contract ceritficates or piece-work bills or vouchers for recoupment of permanent advances for works but not those for contingent charges. The above register will enable this to be done. A form of this register is appended (Appendix B).

II Pre-audit of Public Works Bills at Headquarters.

Unification of Public Works and Civil Procedure.

12. A further step towards the unification of the Public Works procedure with the Civil will be the introduction of pre-audit with regard to work bills drawn and passed by Executive Engineers and other disbursing officers at Bangalore. Pre-audit is the recognised system in British India in the case of bills drawn by officers at the Head-quarters of the Accountant-General's Office and is calculated to conduce to effective audit and to a reduction in the number of objections and consequent correspondence. Where audit can be conducted and payment made simultaneously without delay or inconvenience, the system is distinctly advantageous from the accounts and audit point of view and may therefore be introduced and made applicable to work bills passed by Executive Officers at Bangalore, equally along with establishment and other bills prepared by them and by other officers of the Civil Department.

Large number of objections under the present system.

13. The audit will be conducted exactly as it is done at present; only it will precede and not follow payment. The large number of objectionable items outstanding at the end of June 1916 and reported to Government in the last Provincial Objectionable Items Statement is summarised in the appended Statement C. It shows that, excluding the figures for Railway construction, there are no less than 133 items, amounting to Rs. 16,75,795, of expenditure incurred without duly sanctioned estimates and that estimates have been exceeded in 75 cases to the extent of Rs. 28,49,841. The amounts under the other heads of objection are also large. The figures, however, represent only items of expenditure which exceed Rs. 500 in

the case of 'want of estimates' and in other cases, exceed the amounts which are in excess of the powers of Executive Engineers and Superintending Engineers to sanction. The monthly objectionable items statements of the different divisions clearly indicate that the total number of objections is very large and that the delay in their final disposal is inordinate. The practice in Mysore seems to be for estimates to follow expenditure instead of its being the other way and instances may be quoted of unauthorised charges incurred by an Executive Engineer (Executive Engineer, Shimoga Division) being intentionally misallocated to other than the correct estimates and outlay incurred on works without estimates being debited provisionally to some other sanctioned works to avoid objections in audit for want of estimates (*vide* Comptroller's No. 1171—G. A. I. 237 dated 7th August 1915, to Government). There is great laxity in enforcing the removal of audit objections on the part of executive officers and protracted correspondence and unnecessary increase of work are the outcome.

Pre-audit advantageous in case of Headquarters divisions.

14. The primary audit with regard to bills is conducted by the Divisional Accountant so far as arithmetical check, check with estimates, sub-head audit and check with contracts are concerned; but the Accountant's objections are not always acted on and are often overruled in practice by the Divisional Officer. This is the chief reason for the large number of objections in audit and is more so at the headquarters of the Chief and the Superintending Engineers of the department. The statement shows that excluding the Cauvery Reservoir Works Divisions, wherein special conditions obtain, the bulk of the objections under 'want of estimate' and 'want of appropriation' is contributed by the headquarters divisions denoting that many works are, for some reason or other, undertaken and expenditure incurred without formal sanction to the estimates or allotment of funds. It is evident that pre-audit by the Comptroller will be more effective in reducing objections, at least so far as it can be carried out without causing delay. It is therefore the better system in respect of headquarters divisions than the practice of having the audit done by the Central Office subsequently.

Details of the pre-audit system explained.

15. To remedy to some extent the existing state of things, it is suggested that all work bills drawn and passed by disbursing officers at Bangalore should be subjected to pre-audit by the Comptroller and paid by means of cheques on the treasury. The number of such bills will be about 34 a day on an average (*vide* statement) and will involve no undue pressure or increase of work in the Audit Office. The pre-audit will consist in seeing that previous payments shown on bills are correct, that there is an estimate to cover the payment or that the excess over the estimate, if any, is within the Executive Engineer's powers of sanction and that the grant for the work is not exceeded. The arithmetical calculations in every bill need not be checked as this would mean increase of work, and the check may be confined to intermediate bills over Rs. 1,000 in amount, to 25 per cent of smaller bills and to *all final* bills. The bills, as passed by the Divisional Officer, will not be incorporated into the accounts of divisional offices as soon as they are passed, as in the case of bills passed for payment at treasuries, as the Comptroller may return bills unpaid, for want of estimate or appropriation or of special sanction, where necessary, for incurring the outlay. The bills will be submitted to the audit office and be audited within 24 hours of their receipt, except in special cases requiring special investigation and orders of the Comptroller or Deputy Comptroller. The work of pre-audit will be equably arranged among the clerks of the works-audit section, so that the work falling on a particular clerk on a particular day may not be heavy. Contractors at headquarters will be required to acknowledge receipt of payment on the bills themselves when they are delivered to them by the Executive Officers and then to present them to the Comptroller's Office and receive the cheque after audit. In the case of contractors living at a distance, the Comptroller will send the cheques by registered post to the Sub-Divisional Officer concerned, who will make over the cheques to the parties, only after obtaining the payee's acknowledgment on a separate hand-receipt, stamped when necessary. The receipt will, of course, be returned to the Comptroller and be attached to the original bill. The bills will be incorporated in the divisional accounts only after they have been paid by the Comptroller by cheques. To enable the Divisional Officer to do this, an intimation slip noting the number and amount of the bill paid by the Audit Office, with details of items corrected, if any, will be sent to the passing officer as soon as a cheque is drawn in payment of the bill. The bill

will then be entered by the Divisional Office in its "Register of passed bills" and its amount treated as expenditure of the month concerned. The subsequent treatment of bills and the debit of their amounts in accounts will follow the procedure already described with regard to post-audit bills. The Audit Office will also maintain a register of bills presented for pre-audit.

List of vouchers received with the accounts of Divisions at Bangalore during the year 1915-16.

No.	Names of Divisions	Vouchers relating to works	Remarks
1	Workshop	712	Average per mensem 876; average per day, say 34.
2	Irrigation	857	
3	Water-Supply	3,274	
4	Bangalore	3,243	
5	Sanitary	600	
6	Chief Electrical Engineer's Office	775	
7	Bangalore Power and Lighting	736	
8	Deputy Commissioner, Bangalore	188	
9	Inspector-General of Police	100	
10	Chief Commandant	33	
	Total	10,518	

III. Disposal of Objections taken by the Audit Office.

Unusual delay in disposal of objection statements.

16. Another serious drawback in the present administration of the Public Works Department in regard to accounts and audit is the great apathy shown by Executive and Superintending Engineers and Government also towards objections raised by the Audit Office. The following statement shows that on the 1st November 1916, the number of objectionable items statements and audit notes which have not been replied to within periods ranging from three months to three years amounted to no less than 292:—

Divisions	Audit notes				Objectionable items statements			
	1913-14 and earlier	1914-15	1915-16	Total	1913-14	1914-15	1915-16	Total
Bangalore	...	3	8	11	...	...	6	6
Mysore	... 12-13·3 13-14·6							
	9	9	8	26	5	8	6	19
Water-supply	...	3	9	12	...	6	7	13
Irrigation	...	...	6	6	...	...	4	4
Public Works Workshops	...	...	...	...	...	...	1	1
Sanitary	...	...	...	...	...	...	2	2
Mysore Headquarters Range	1	2	...	3	...	...	...	...
Superintendent's Office (Cauvery Reservoir Works)	2	1	2	5	...	...	...	...
No. I Division	...	1	7	8	...	...	...	...
No. II Division	...	...	...	...	...	...	...	...
No. III Division	...	10	4	14	...	...	...	...
Special Land Acquisition Officer	...	1	9	10	...	...	...	...
No. IV Akkihebbal	...	5	...	5	...	...	...	...
No. V Yedatore	...	...	...	...	...	...	...	...
Cauvery Power Scheme—Chief Electrical Engineer's Office	...	4	1	5	...	...	...	...
Bangalore Power and Lighting	...	...	1	1	...	...	1	1
Mysore do	...	...	1	1	...	...	1	1
Sivasamudram do	...	...	4	4	...	...	1	1
Shimoga	4	12	3	19	...	1	2	3
Tumkur	2	2	2	6	...	4	1	5
Kolar	1	9	2	12	..	8	4	12
Hassan	...	...	1	1	...	3	4	7
Kadur	...	5	2	7	...	3	4	7
Chitaldrug	...	1	4	5	...	4	4	8
Railway Construction	...	3	26	29	...	...	12	12
Total ...	19	71	100	190	5	37	60	102

17. Out of the total 292, 24 statements have not been replied to within a period varying from two to three years, 108 statements within one to two years and 160 statements within three to twelve months. If no attention is paid to objections raised by the Audit Office and if such a large number of them remain unreplied to, it means nothing but frustrating the main object with which a large Audit Office is maintained. If objections raised by the Audit Office are not replied to promptly and remain unanswered for not only months but years, audit is rendered a farce and the large amount spent on the establishments for it, nothing but sheer waste. It is really a matter of surprise how such a state of affairs has been tolerated for so long a time. It is therefore absolutely necessary that stringent measures should be taken by Government to enable the Audit Office to enforce its objections. Orders should be issued at once enjoining that audit notes and objectionable items statements should be replied to within definitely fixed periods and disciplinary action should be taken of the conduct of officers who fail in this part of their duty.

Delays in issue of the statements.

18. The objections taken by the Audit Office are communicated to the Executive Engineer in two separate statements, *viz.*, the audit note which contains remarks and objections of minor importance including overpayments and other recoveries to be effected and the objectionable items statement which contains important objections which have to be brought to the notice of the Superintending Engineer and Government. The former confines itself to the transactions of the month concerned, while the latter brings forward the unremedied objections of previous months including "Miscellaneous irregularities" and shows all the objectionable items of expenditure incurred up to date without estimates or in excess of estimates and without appropriation or in excess of appropriation during the year. There is considerable delay on the part of the Audit Office in the issue of its audit notes and objectionable items statements. For instance, the audit notes of the Bangalore Division for August, September and October 1915 were despatched only on 8th February, 2nd March and 17th April 1916, respectively, and the objectionable items statement of August 1915 does not appear to have been issued at all, while the statements for September and October 1915 were issued on 22nd December 1915 and 5th February 1916. The audit notes were thus issued more than 5 months and objectionable items statements $2\frac{3}{4}$ to $3\frac{1}{4}$ months after that to which the accounts related and only one of these has been received back with replies on the 2nd November last, *i.e.*, nine months after it was issued. It should be definitely laid down that these statements should be issued not later than the 15th day of the second month following that to which the accounts relate, and the replies should be sent not later than the 15th of the third month at the latest. One result of delay in the issue of audit notes and objection statements is that the defects which are pointed out in these statements are repeated in the accounts of subsequent months, necessitating the raising of the same objections by the Audit Office and the making of the same corrections by Executive Engineers in their accounts as, without instructions from the Audit Office and without receipt of the audit notes and objectionable items statements, the accounts of subsequent months also are prepared with the same defects and mistakes as in the previous month. The result is increase of work all round. Corrections and omissions in the schedule of expenditure should be pointed out by the Audit Office as soon as the accounts have been compiled and in advance of the regular audit notes and objectionable items statements so that the corrections necessary may be made by the divisional office in its accounts for the next month. Delays in the issue of audit notes and of objectionable items statements will be considerably minimised, if objections are entered on the original documents and vouchers as they are audited, and if they are corrected and approved by the Superintendent and the Gazetted officer and if, after such correction, the objections are copied in the audit notes or objectionable items statements.

How arrear objections are to be removed.

19. As regards outstanding audit notes, the Mysore Division is one of the worst offenders. The audit notes and objectionable items statements for this division for 36 months have not been replied to, the earliest audit note not replied to being that for April 1913. I think it would be impossible to get these statements disposed of in the ordinary way by merely issuing reminders or even by Government issuing special orders. Some special steps appear to me necessary for the disposal of these long outstanding audit notes. They should not be disposed of in the manner directed in the orders of Government on the Provincial Objectionable Items Statement of the Southern Circle

for the quarter ending September 1915 which run as follow: "The latest audit notes and objectionable items statements may be disposed of and the old ones returned for record in the Audit Office." The order ignores the fact that the last audit note is not a complete summary of all objections raised up to that date, but deals only with the irregularities noticed in the particular month's accounts. I would suggest that the Audit Office should go through all these notes and withdraw all objections which are purely technical and not of an important nature and which it would be useless pursuing at this distant date, but the overpayments ordered to be recovered must be recovered or at any rate written off with the sanction of Government and the Audit Office must see to this. It should at the same time prepare separate statements of important objections which cannot really be disposed of without the orders of the Superintending Engineer or the Government. These statements should be sent to the different divisions to be returned with their explanations through the Superintending Engineer within a month after receipt. Government should enjoin strict compliance with this proposal and strict adherence to the date prescribed. The objections which may be disposed of by the Audit Office on receipt of the explanations referred to, should be removed at once and the remaining objections should be specially reported to Government and should be dealt with by the latter as quickly as possible. All objections up to June 1916 as noted in the objectionable items statements for that month should also be disposed of in this way and, as suggested already, strict orders should be issued by Government to prevent later audit notes and objection statements not being replied to within a month after their receipt. Some penalty might also be imposed on officers who might make defaults in this respect in future.

IV. Preparation of Audit Notes and Objectionable Items Statement in the Audit Office.

Revised method of preparation of Objectionable Items Statements, and watching of objections.

20. The following remarks are called for in regard to the procedure followed at present by the Audit Office for the preparation of objectionable items statements. Each statement at present brings forward all previous months' objections whether there is further outlay on the work during the month or not, and an office copy of these statements is first prepared in which every item of objection including the old outstanding ones, is copied out month after month and a fair copy in the same detail is prepared and sent to the Divisional Office. A quarterly report of the more important objections is also sent to Government. The copying of every objectionable item, each month, from the previous monthly statements, seems quite unnecessary. An Objection Book and Adjustment Register should be substituted for the office copy of the objectionable items statement. It should have separate pages for objections for (1) want of estimates, (2) excess over estimates, (3) want of appropriation, (4) excess over appropriation and (5) miscellaneous irregularities such as, unauthorised expenditure in excess of sanction, in excess of contributions or in excess of the limit fixed for stock. There should be a separate column for "name of the work" and twelve other columns one for each month of the year for the amount objected to. This register will show in a compendious form the total amount of the objections outstanding at the end of any month against a particular work, as well as the aggregate of the objections taken in a particular month under each head and the amount removed during it. A sample form is appended (Appendix D) The objection book should be reviewed every month and objections over six months old may be extracted separately and quarterly statements containing these items may be sent to the Executive Engineer concerned for prompt action. A half-yearly statement of important items which have not been disposed of within six months may also be sent to Government. Individual items of objection which cannot be removed even after the receipt of the Executive Engineer's explanations should be pursued by means of special letters to the Executive Engineer, Superintending Engineer, or Government, as may be considered expedient.

21. Objections should be removed from time to time in the manner and with reference to the documents indicated below:—

(*a*) From the schedule dockets in respect of writes-back of previous unsanctioned expenditure or previous excess over estimates and appropriations.

(*b*) From the returns of sanctioned estimates and sanctions communicated by the Government, in respect of sanctions which relate to previous expenditure held under objection.

(*c*) From replies to the Divisional Objectionable Items Statement in respect of sanctions which were not identified by the Audit Office in dealing with the returns of sanctioned estimates, owing to difference in the description of the work, accidental omissions, etc., and in respect of excesses passed by Superintending Engineers.

22. In copying out the Divisional Objectionable Items Statement from the objection book in the case of items relating to excess over estimate and excess over appropriation, the only change will be in respect of the column "During the month" of the Objectionable Items Statement Form, wherein the up-to-date excess will be shown instead of the expenditure of the month.

Simplification of audit against grants.

23. Another point is deserving of special mention here. Audit is conducted in Mysore with reference to individual allotments for minor works and repairs. In British India, however, such an audit is applied only in the case of major works, the expenditure on minor works and repairs being audited against lump grants. A similar procedure should be followed here as it will not involve any sacrifice of budget control. A major work may continue, as at present, to be a work costing Rs. 2,500 or more, though Rs. 5,000 is the minimum prescribed in British India. Audit against individual grants for such works and accounting by sub-heads may continue as at present. The minimum of Rs. 5,000 prescribed in British India is too high for Mysore.

Method of preparing audit notes.

24. As regards audit notes, a note of the routine objections is made on each voucher and an office copy is kept in the accompaniment form. The office copy is sent to the correspondence section for preparing a fair copy which is issued as an enclosure to the audit note. The fair copy may be made direct from the notes on the vouchers themselves and a separate office copy is unnecessary. It does not also appear necessary to include in the audit notes remarks such as 'absence of pay order,' 'total value not expressed in words,' 'want of Accountant's initials,' etc., which may well be listed conveniently in the accompaniment. As explained previously, all objections will be entered on the original documents and vouchers as they are audited and after they are corrected and passed by the Superintendent and the Gazetted officer, the audit note will be prepared from them and issued in original.

V. Completion Reports.

Enormous delay in the submission of completion reports and suggested remedy.

25. Another serious defect is that an enormous number of completion reports have not been submitted although the works have been completed and the estimates closed long ago. The following statement gives details by divisions of these completion reports. Here also the Mysore Division is the worst offender. The completion reports due from it are no less than 742, nearly half of the works having been completed more than three years ago. Superintending Engineers do not at present exercise any control over the prompt submission of these reports. If the reports are sent in future by the Executive Engineer through the circle office, the Superintending Engineer should be able to notice any long delays between the date of completion of the work and the date of submission of the completion report, as also any large savings or excesses on estimates and should enquire into and take action in regard to avoidable delays and unexplained lapses or excesses. When completion reports are not received by the Audit Office in future within three months after completion of the work, the matter should be reported by the Audit Office to the Superintending Engineer who should be held responsible for further delay. A quarterly report of over-due completion reports should be submitted also to Government through Superintending Engineers who should be required to forward them to Government with an explanation of the delay in each case.

Divisions	Previous years	During						Total
		1910-11	1911-12	1912-13	1913-14	1914-15	1915-16	
No. IV. Akkihebbal	...	...	...	...	...	1	3	4
No. V. Yedatore	...	...	...	...	...	...	...	...
Cauvery Reservoir Works ...	...	...	...	...	...	...	...	...
Sanitary	...	...	...	3	1	3	9	16
Mysore headquarters range ...	...	...	...	...	1	...	...	1
Bangalore	6	27	60	89	55	52	86	375
Mysore	21	13	167	138	142	118	143	742
Water-Supply	7	5	8	2	20	44	67	153
Public Works Workshop	...	...	...	...	...	...	7	7
Irrigation	...	...	...	...	...	13	4	17
Shimoga	...	1	3	14	10	39	71	138
Kolar	...	...	2	37	11	64	32	146
Hassan	19	23	47	76	16	7	101	289
Tumkur	...	...	...	40	46	14	98	198
Kadur	...	...	...	...	...	6	84	90
Chitaldrug	...	...	...	1	2	...	33	36
CIVIL OFFICERS.								
Bangalore District	...	...	...	2	16	12	40	70
Kolar ,, ...	...	...	...	9	7	33	52	101
Tumkur ,, ...	...	...	...	12	...	...	36	48
Mysore ,, ...	...	...	1	3	3	7	10	24
Kadur ,, ...	...	...	...	3	3	1	10	17
Hassan ,, ...	3	4	20	3	19	23	53	125
Shimoga ,, ...	...	...	...	6	8	22	41	77
Chitaldrug ,, ...	...	...	...	1	34	44	35	114
Inspector-General of Police ...	...	7	3	10	15	20	113	168
Total ...	56	80	311	449	409	523	1,128	2,956

26. The above statement includes only such works as have been reported as completed, but for which completion reports have not been submitted. There are, however, a large number of works which have not been operated on for over a year and which have been reported as "In progress" in the last schedule of expenditure, which included some expenditure on them. A list of such works is prepared at the end of each year and sent to divisions for return with explanations. This may continue but it may issue in original and the present fair copying saved.

27. Completion reports do not at present contain a reference to the folio and the item number of the sub-register. This is necessary to ensure that every item has been posted by the clerk in the sub-register and to enable the Superintendent to test-check a few items at random.

VI. Divisional and Sub-Divisional Accounts and Registers.

28. Under the new system, the registers and accounts to be maintained by Sub-Divisional Officers and Executive Engineers and the accounts and documents to be submitted by the former to the latter as also those to be submitted by the latter to the Audit Office will be as mentioned below:—

A.

Registers and accounts to be maintained by Sub-Divisional Officers.

1. Two Permanent Advance Registers, one for the advance allowed for contingent charges and the other for expenditure on works.

2. Triplicates of work bills submitted to divisional office.
3. Materials at site accounts.
4. Register or account of daily receipts and issues of stock.
5. Abstract of stock received.
6. Abstract of stock issued.
7. Monthly return of receipts, issues and balances of stock.
8. Register or account of daily receipts, and issues of tools and plant
9. Monthly return of receipts, issues and balances of tools and plant.
10. Half-yearly register of stock.
11. Yearly return of tools and plant.
12. Measurement books.
13. Progress reports.
14. Completion reports.
15. Indents for stores.
16. Copies of estimates.
17. Copies of agreements.
18. Schedule of rates.

All the above are maintained at present with the exception of the two registers numbered one which will take the place of the imprest account now maintained.

B.

Accounts to be rendered by Sub-Divisional Officers to the Executive Engineer.

1. Items (2) to (10) of Statement A to be retained in divisional office except 4, 8, 10 and 11 which should be returned.
2. Recoupment bills for permanent advances for both contingent charges and expenditure on works met from permanent advances.
3. Work bills in triplicate to be retained the first two copies in Divisional Office the triplicate copy to be returned to the Sub-Divisional Office.
4. Measurement book with each final bill sent for audit and payment.
5. Indents for stores.
6. Completion reports.

All the above are being submitted at present except that (2) will be in new forms. Besides the above some other returns are submitted at present. They will either be discontinued or prepared in the divisional office.

C.

Registers and Accounts to be maintained in the Divisional Office.

1. Cash book.
2. Register of bills received for audit. (New)
3. Register of passed bills. (New)
4. Adjustment book.
5. Stock abstract book.
6. General abstract book (abstract of 3, 4 and 5).
7. " C " register in two parts.
8. Register of sanctioned estimates.
9. Register of appropriations.
10. Register of liabilities.
11. Register of miscellaneous advances (in place of office copies).
12. Contractors' Ledger. (New)
13. Monthly statement of tools and plant.
14. Half-yearly returns of stock with supplement thereto.
15. Yearly returns of tools and plant.

16. Register of deposits (in place of office copies).
17. Transfer advice books, acceptance books and write-back orders.
18. Registers of contingent charges and of expenditure on works met from permanent advances. (New)
19. Acquittance rolls for establishment and for travelling allowance of establishment.
20. Service books.
21. Pass book.
22. Cash remittance book.
23. Register of miscellaneous properties.
24. „ measurement books.
25. „ agreements.
26. „ incumbents.
27. „ securities.
28. „ land.
29. „ buildings.
30. Originals of estimates.
31. „ agreements.
32. Schedule of rates.

D.

List of Accounts and Documents to be rendered to Comptroller monthly.

1. Statement showing total amount of bills passed for payment at the treasury every month, to be sent on the last day of each month.
2. List of accounts submitted to the Comptroller.
3. Executive Engineer's acknowledgment of responsibility for accounts sent under Accountant's initials.
4. Account-current.
5. Statement of bills passed, bills paid and the balance payable, with a detailed list of unpaid bills.
6. Consolidated treasury receipt for remittances sent to the treasury.
7. Schedule of transfers, Divisional.
8. Schedule of miscellaneous receipts and payments originating in the Civil Department and adjustable by P. W. D.
9. Schedule of stock and other adjustment transactions adjustable by Civil.
10. Schedule of deposits showing transactions during the month.
11. Schedule of contributions.
12. Return of buildings.
13. List of officers occupying Government buildings and the recoveries effected from them.
14. Abstract of expenditure by fund and departmental heads.
15. Schedule dockets with write-back orders and adjustment vouchers attached and with a skeleton abstract to bring out the total for each fund head.
16. Schedule of miscellaneous advances.
17. Stock account-current.
18. Schedule of stock purchases on credit.
19. Schedule of stock sales on credit.
20. List of balances due to and from contractors.
21. Statement of tools and plant.
22. Account-sales of stock and tools and plant.
23. Completion reports of works completed during the month or a previous month if not already submitted.
24. List of completion reports due but not yet submitted.

The registers and accounts referred to above call for the following remarks :—

Completion of Accounts.

Posting of "C" Registers.

29. The "C" Registers will be posted day by day in the divisional office from the duplicate bills, the stock accounts and the adjustment book. The stock accounts, on receipt from the Sub-Division, will be priced and abstracted by heads of account and sub-heads of stock as hitherto and posted into the stock abstract book as well as the "C" Registers. The adjustment book will also be maintained as at present and the transactions will be posted in the "C" Registers every day as they occur. At the end of the month, the postings in the "C" Registers will have to be totalled in respect of the amount of passed bills, adjustment items, and stock issues.

30. To enable the "C" Registers to be completed and made ready for the compilation of accounts on the first of the following month and to facilitate the advancement of the date of submission of accounts, the sub-divisional stock accounts may be required to be closed two or three days earlier than the last day of each month, except in June when they should be closed on the last day.

The closing and the submission of the materials at site statement will also be similarly advanced.

Schedule dockets and schedules of expenditure.

31. To relieve Divisional Offices of a great portion of the clerical work now involved in the compilation of the monthly accounts, it is proposed to discontinue the preparation of the schedules of expenditure. The schedule of expenditure is an extract, from the register of works, ("C Registers") of the transactions relating to works on which expenditure has been incurred during the month and its abolition will in no way weaken the control of the Executive Engineer over the progress of work in the Division, as this control has to be exercised by an examination of the register of works and not by reference to the schedule of expenditure, which shows only the works operated on during the month; and even the latter purpose will be served by "C" Registers. It should be noted that the primary object of the Schedule of expenditure is the posting of the sub-registers of the Audit Office which will in future be posted from the schedule dockets.

32. The schedule docket which is at present submitted (one for each work operated on) will be a little more amplified to give the amount and register number of estimate and the amount of appropriation in the case of major works, required for posting the registers of the Audit Office in the absence of the schedule of expenditure which is to be dispensed with. The abstract of the schedule showing the total expenditure by departmental heads under each fund will continue. This will be compiled from a skeleton abstract of the schedule dockets working up to the total monthly expenditure under each head and will show the expenditure on major, minor and repair works separately for comparison with appropriations. Sample forms of schedule dockets showing the modifications required (Appendix E) and of the abstract of the dockets (Appendix F) are attached.

33. The abolition of the schedule of expenditure will cause no inconvenience to the Audit Office. Its object will be served by the sub-register maintained in the Audit Office which will contain all the information available in the schedule of expenditure and which will be posted from the schedule dockets. The monthly and the progressive expenditure in the current year and up to date will all be shown in the sub-registers and audit of expenditure in regard to grant and estimate conducted with reference solely to the postings therein. There will thus be no addition to the work of the Audit Office, and the efficiency of audit will be improved.

Accounts of Revenue.

Revenue accounts and rent returns.

34. As regards revenue, the realisations will be entered in a cash book on the receipt side and when payments are made into treasury, which will be done as soon as the amounts are recovered, they will be charged on the payment side. The payments into the treasury will be accompanied by the remittance book which will show the head of account to which the amount remitted is to be credited in the treasury accounts. Contributions realised by Revenue Officers and paid into the treasury will be credited by Treasury Officers direct to the head "Contributions for Public Works Officers"

but not included in the schedule of Public Works receipts. They will, however, be communicated by the Audit Office to the Public Works Officer concerned, for note in his contribution register. In the case of amounts paid into sub-treasuries, the challan will form the basis of the entries in the cash book. There should be no cash balance at the end of a month and miscellaneous revenue received on the last day of a month after business hours, when it cannot be paid into the treasury the same day, will be brought on the cash book of the next month as if it was received on the first working day of that month. At the end of the month, the Executive Engineer will obtain from the treasury the usual consolidated treasury receipt and will forward it to the Audit Office after comparing it with his cash book and recording on it a certificate that the total amount agrees with the total remittances shown in his cash book. No extracts from his cash book need be sent to the Audit Office as the Treasury Officer will bring the amounts in his treasury accounts direct under the proper heads concerned which will be shown in a separate schedule accompanying his accounts and all that will be necessary for the Account Office to see is that the total of this schedule agrees with the total of the consolidated receipt. In the case of property from which regular revenue can be looked for, the usual register of miscellaneous properties can be continued so as not to weaken administrative control. The rent return should be prepared and submitted along with the statement of recoveries in other departments (Form 44-B) as at present. In regard to profits on workshop jobs, the credit of the centage charges to revenue will be adjusted as hitherto.

Other Accounts.

Debt and transfer schedules.

35. The transfer schedules both for debits and credits will follow the usual procedure. The amounts of deposits will be paid into treasury as received, and accounted for in a separate register, similar to Public Works Form 30-C, and repayments will be made by passing bills for withdrawal for payment at the treasury. The receipts and payments will be dealt with in the Audit Office in the same way as deposits of Civil Officers. The repayment vouchers will always give references to the payment of the original deposit into the treasury. The Divisional Office will send to the Audit Office a monthly account of the transactions under 'Deposits' during the month distinguishing cash from adjustment transactions and giving, at the end, a memo of the opening balance, the total receipts and the total payments and the closing balance under the head. The Public Works Offices will not be required to render any further accounts of deposits. In the case of deposits not claimed within the prescribed period and consequently lapsing to Government, a list will be sent to the Audit Office once a year. The amounts will be adjusted in the Audit Office by credit to "Revenue" and an intimation will be sent to the Divisional Office for noting the fact in the deposit register. A register will be maintained for "Miscellaneous Advances" in Public Works Form 30 (c) and an extracts from it showing the transactions of the month and the outstanding balances will be submitted monthly to the Audit Office.

Miscellaneous Registers.

36. *Register of Miscellaneous Properties* showing the nature of property from which regular revenue can be expected and the total revenue realised is necessary. The register should compare the realisations for three years or more and any falling off or increase briefly explained. Without a register of this kind, it is not possible to know what the sources of miscellaneous revenue in the Division are and how much is realised.

37. *Register of Agreements.*—Agreements are obtained in the case of works costing over Rs. 5,000 and muchilikas, in which the rate is not entered but is taken generally to be the estimate rate, are obtained for works for less than Rs. 5,000. From the bundles of these, it is not always easy to pick out the document relating to a bill for a work. To facilitate reference, they may be numbered and filed consecutively and a register serving as an index kept up.

38. *Register of Buildings.*—The register kept in the Bangalore Division has not been completed since 1910. For purposes of making provision for 'annual repairs' at ½ per cent of the capital cost and of assessment of rent of buildings, it is essential that the register should be brought up-to-date.

39. *Register of Bills received for Audit in Divisional Offices.*—The divisional office does not possess a register of bills for showing the progress in the preparation, submission, audit and payment of bills. At present, there is no means of knowing what bills have come in for audit, how many have been audited and how many await final disposal and for what reasons. The Executive Engineer can merely pass the bills sent up to him and is not in a position to exercise control over the audit work of his office. A simple register in the form appended (Appendix G) should be maintained and the Executive Engineer should scrutinize it periodically, say, once a fortnight.

Contractors' Ledger.

Object of a contractors' ledger.

40. There is no contractors' ledger in use in this State. The object of the ledger is to collect together all the transactions with a contractor, the actual payments or advances being shown on the debtor side and the value of work done as per certificates being shown on the credit side. When materials are issued to contractors, whose contract is for finished work, either from the stock of a division or from the departmental materials at site, the value has to be recovered from the contractors. As the bill for work done is not immediately made out and as cash recovery is not always feasible, the accepted procedure is that the amount due is debited to the contractor's account pending recovery. A systematic watch is thus kept up and no advances can be lost sight of. The upkeep of a ledger and the submission to the audit office of a list of balances each month are very necessary and should therefore be prescribed.

Watch over advances to contractors necessary.

41. It is explained that in the Bangalore Division, cases in which materials are obtained from local firms direct or from outside firms through the Comptroller and supplied to contractors are very rare, and that in regard to stock issues, the Stock Sales' Account serves the means of keeping a watch over recoveries for supplies made. This cannot however be considered as covering all cases, The Stock Sales' Account is not intended to enable recoveries of 'Dues by contractors' on account of works, being watched. In the Mysore Division, there were a few instances of small advances to contractors and the inspection report of the same division showed that departmental materials were not infrequently supplied to piece-workers. A statement of advances was also received with the accounts, but it was not clear that it included value of Government materials recoverable. No list or account of dues to piece-workers is received every month or periodically. The result is that audit control is weak in respect of the prompt discharge of liabilities incurred by the State. That such a check is necessary is evident from the fact that at the end of 1914-15, the advances and overpayments aggregated over Rs. 23,000 and the arrears due, over Rs. 66,000.

No extra work involved.

42. It cannot be contended that the introduction of the ledger will throw an inordinate amount of extra work on the Divisional Office. In fact, a progressive account of each contractor for each work is kept in the Sub-Divisional 'C' Register and all that is necessary is that this account should be kept in a methodical and authorised form which would admit of the aggregate result of all transactions with a contractor being ascertained and of recoveries due being clearly brought out for prompt and effective action. The ledger is required only in the case of payments on running accounts and if payments for work done up to Rs. 500 for a work are made in full and by a single payment, the number of running accounts will be greatly diminished.

Improvement in the form of bills

43. The forms of bills in use in the State differ from the standard form (No. 14) given in the Public Works Department Code and require a slight modification. In the portion headed "memorandum of payments" below the line "Total value of work done," there are two lines "Deduct 5 per cent on account of reserve" and "Balance available for payment." The memo then shows the amount of previous payments and the payments now made, the total of which is deducted from the total value of work done and a balance is struck showing the amount due to the contractor. This balance is thus shown twice in the memo and the two may not agree.

Advantages of revised form and facility in posting ledger.

44. A small change in the form of bills will also simplify the posting of the ledger. At present, payment for materials supplied by contractors, when the contract is for finished work, is treated as 'materials at site' instead of as an advance on account and the value of Government materials issued does not

appear in a contractor's account until the recovery is effected. The bill itself does not contain a complete and lucid record of the contractor's account for a work. It is essential that bills should be correct and self-contained and capable of being readily posted into the ledger. This can be effected in a simple way by introducing a line below 'arrears due' in the last page of the contract certificate form as "Deduct advances on materials." In the case of Government materials handed over to a contractor, no bill is now prepared nor a proper account kept. In future, the subordinate in charge of the work may, while obtaining an unstamped receipt for the materials, prepare a bill showing the advances in the memo of payments and numbering it serially in the chain of the bills for the running account for the work.

45. A sample of the bill form with the proposed changes explained is annexed (Appendix H) and it will be seen that the bill as revised shows the actual state of a contractor's account. The posting of the ledger from the bills will be a simple affair. A detailed copy of the contractors' ledger need not be sent to the Audit Office as this will mean extra work. A skeleton list of balances due to and from contractors may be submitted and this will be audited with the previous month's lists and the bills for the month.

"C" Registers.

Present system explained.

46. There is no register of works in the Divisional Office, nor are separate work abstracts maintained as in British India. A 'C' Register styled also the Register of Measurements is posted in *duplicate* by the Sub-Divisional clerk from duplicate copies of bills returned after payment by the Executive Engineer. One copy is retained in the Sub-Division and the other copy is sent to the Divisional Office, where it is checked and completed with the help of another register (works abstract register) posted monthly from the Cash Book, Adjustment Book, and Stock Account. The copy thus completed is returned to the Sub-Divisional Office where it is compared with the original and the latter completed. A copy of the register is thus in transit between the Divisional and the Sub-Divisional Offices. It cannot be posted up daily in the Sub-Division, and it is not available in the Divisional Office during the time it is in transit or in the Sub-Division and is being written up. From the works abstract register referred to above, the office copy of the Schedule of Expenditure (in book form) is written up and this book has openings for fund, main and sub-heads, and an abstract showing outlay to end of a month for comparison with grant. In the case of roads running through more than one Sub-Division, an abstract collecting the outlay in each Sub-Division is kept in a 'C' Register in the Divisional Office.

Defects of present system.

47. The register of measurements kept by the Sub-Divisional Officers is not completely posted. Rates of work done are not struck each month for comparison with the estimate. It is not seen if the details work up to the total value of work. Works accounted for by sub-heads and those not so accounted for are all entered promiscuously in the same register. The object of a register by sub heads is to get a basis for future working rates, to obtain indications of probable excesses over estimates and to secure continuous watch over the progress of expenditure. This cannot be fulfilled so long as the register is not properly maintained or systematically scrutinised. The register is not examined by the Executive Engineer; and during portions of a month, it is not in his office and serves no purpose to him, if he has to satisfy himself about the progress of a sub-work or the working rate for a sub-head. The works abstract register is an informal register and is not maintained in all divisions.

Proposed method and its advantages.

48. The register to be of use should be maintained in the Divisional Office, in two parts.—namely, Part I for works accounted for by sub-heads and Part II for other works. As explained already the "C" register should be compiled in the Divisional Office and a copy of it sent to the Sub-Division which should return it at the beginning of every month to the Divisional Office to be returned after being written up with reference to the registers maintained there. Both the Executive Engineer and the Sub-Divisional Officer will then have a permanent and collective record of work done, except that the Sub-Division copy will be in transit for the first few days of a month. An

office copy of the Schedule of Expenditure will then be unnecessary. The Executive Engineer will always have a ready available means to exercise an effective control, when the register is written up under his accountant's supervision and submitted for his initials every month. Each Sub-Division has two clerks at present generally. With the upkeep of the "C" register transferred to the Divisional Office, the necessity for a second clerk in each of the Sub-Divisions should cease and a reduction in the staff of the Sub-Division clerks should be possible. The Divisional Office might be strengthened by the addition of one or two of these men.

Audit of Stock and Tools and Plant Returns.

49. Monthly statements of stores, received from Sub-Divisional Officers are checked, completed and sent to the Comptroller every month with the monthly accounts, both for stock and for tools and plant. These are audited in detail and recorded for comparison with the returns of stock and tools and plant when they come in. The audit of the monthly statements of tools and plant is necessary, as the outlay thereon is charged off to a final head and the annual return is only a numerical account. 'Stock,' on the other hand, is a suspense head and a priced account is kept up of the receipts, issues and balances. The value and the rates of articles are adjusted every half year to coincide with the balances shown in the stock abstract and any great differences between the 'Present Rates' and 'Adjusted Rates' are required to be investigated and explained. An automatic control over the balances is thus exercised and it is hardly necessary to saddle the Audit Office with a monthly check. The audit of the half-yearly register coupled with the test audit of a month's transactions at inspections seems quite sufficient.

Audit of monthly statements of stock unnecessary.

50. While on this subject, it may be mentioned that the audit of these periodical stores returns has, in some Provinces in India, been transferred from the Central Office to local inspections. Substitution of local for central audit is not merely a transfer of work; it is a reduction of work, for a few words of explanation save much writing. Errors are admitted and rectified straightaway and apparent errors are explained. The auditor has to take with him the audited monthly returns in regard to tools and plant and the last audited stock account-current for the half-year; and the audit can be completed in much less time on the spot. The drafting, correcting, copying and examining of long audit notes and of consequent replies, rejoinders and letters mean at present an immense amount of work which could be saved, if central audit gave place to local audit.

Local audit of the returns and its advantages.

Lists of Temporary Establishment Charged to Works.

51. No separate provision for petty supervision is made in estimates and the rates for each sub-head are apparently intended to include such charges. Expenditure on wages, etc., of the men entertained is charged off to a sub-head and, as a check on the Executive Engineer's powers of sanction, it is prescribed that the Superintending Engineer's approval should be obtained for appointments on pay exceeding Rs. 30 and that the lump sum allotment fixed for the year by the Chief Engineer should not be exceeded. This lump sum is however not fixed with reference to the amount of each estimate for which supervision will be required or to the total grant for each Division. It depends generally on the magnitude and the expected duration of a work, and the establishment engaged is not in accordance with the lump sum provision. Monthly lists of works establishment are sent by Executive Engineers showing the total progressive outlay against the grant; but these are neither correct nor complete. Audit remarks are the result and correspondence ensues regarding excesses which cannot be traced to any particular work. It would be more useful to have a distinct provision for supervision made in estimates and charges for establishment audited against it and to dispense with the monthly statements.

Lists serve no useful purpose.

52. In this connection, it may also be mentioned that the audit of the salary and travelling allowance bills of the pumping and maintenance establishment of the Water-Supply Division, preparation of the schedule of establishment charges and all correspondence connected therewith are quite unnecessary.

Detailed audit of works establishment bills unnecessary.

The establishment in question is charged to "works" and is treated as "works establishments" for all purposes; and there is no special reason to conduct any further audit than is contemplated in Public Works rules. It it not, however, really works establishment and the better course would undoubtedly be to charge the establishment in future to the head establishment and to audit the charges as such, in the Audit Office.

Preparation of bills in the Sub-Divisions and their check in Divisional Offices.

Preparation of bills.

53. Bills are now prepared in duplicate by Sub-Divisional Officers in all cases. In cases where the bills cannot be paid by the Sub-Divisional Officer without pre-audit at the Divisional Office, both the original and the duplicate are sent to the latter for such pre-audit and payment and return of the duplicate to the Sub-Division. In cases where the amount of a bill is within the powers of the Sub-Divisional Officer to pay, it is paid by him, and the original is sent to the Divisional Office for inclusion in accounts, the duplicate being retained in the Sub-Divisional Office. The accounts are prepared in the Divisional Office from the original vouchers which are forwarded to the Audit Office along with the monthly accounts and the Divisional Office has no records for obtaining any information in replying to audit objections on vouchers, or for preauditing subsequent vouchers or even for watching progress of expenditure. Reference has consequently to be made to Sub-Divisional Officers and there is delay all round. In fact, the Sub-Divisional Office is treated as the office where all original records are maintained and the Divisional Office merely compiles the monthly accounts from documents which are received from the Sub-Divisions and are forwarded in original to the Audit Office. This is quite opposed to the British Indian system and is the root of all irregularities committed and the delay which usually occurs in replying to objections and other references made by the Audit Office.

This procedure should be changed and the Divisional Office should be made a self-contained unit. It has been already suggested that duplicate copies of bills should be kept in the Executive Engineer's Office and should form the basis of the compilation of accounts (para 9). The Sub-Divisional Officer will thus have no records with the help of which he can prepare the next bill of a contractor for a work, except the measurement book which, however, is an account of quantities alone. The total value of work done, the work done since last certificate, the rate and amount of payments made, etc., are not noted in the measurement book and the previous bill has to be referred to for this purpose. As the previous bill will be with the Divisional Office, the Sub-Divisional Office should have some record of all the details which are contained in the previous bill. In all provinces in British India, except Madras, this object is served by keeping the duplicate copy of the bill, in the Sub-Divisional Office. In Madras, no duplicate copy of the bill is prepared and the necessary record is kept in the measurement book itself and for this purpose the form of the book has been amplified. Thus in British India, no duplicate copies of bills are maintained in the Divisional Office either in Madras or elsewhere. The object is served by preparing work abstracts in every case. This system is however defective in asmuch as the work abstracts do not contain all the necessary details and cannot serve the purpose of the bill completely and either measurement books have to be sent for from the Sub-Divisions or separate references have to be made to them by Divisional Officers. The best solution is to make three copies of the bill, one to be paid at the Treasury and to go ultimately to the Audit Office, one for the Divisional Office and one for the Sub-Divisional Office. The original copy should be prepared in ink as at present, as it has to be paid at the Treasury and it will not probably be safe to make it in pencil even if it is called "indelible." But there is no objection to the other two copies being made by indelible pencil and carbon paper. This will not cause any increase of work as compared with the present.

Defect in present system.

54. Sub-Divisional Officers are authorised to pay bills up to Rs. 100 a month for each contractor for each work. When the total payments exceed this limit, the first bill, the payment of which would cause the excess, is submitted to the Divisional Office for pre-audit and payment. These bills are not accompanied by measurement books except when they are final and the check is confined to arithmetical calculations and rates. Previous payments are not checked and overpayments due to omission of intermediate payments remain undetected till the final bill comes up for audit.

To quote an instance, one Dase Gowda was overpaid Rs. 95 in June 1916 (Schedule Docket 166, C. B. V. 495 of Bangalore Division) on "Annual Repairs of Yelakyathanahalli-Nidvanda Railway Feeder road" owing to the previous payment having been incorrectly entered as Rs. 100-12-0 instead of as Rs. 195-12-0 by the Sub-Division Officer and the Division Office having accepted it unchecked. In yet another case in the same division (Schedule Docket 10, C. B. V. 30 of November 1915), the payment made to end of August 1915 was taken into account, while a further payment had subsequently been made in October 1915. The result was an actual overpayment of over Rs. 200.

Remedy proposed.

55. It is evident from the above random instances that the check of bills in the Divisional Office is defective and leads to a failure of audit. To render audit effective, it is suggested that on every bill submitted for audit and payment, the Sub-Divisional Office or the Divisional Office which prepares the duplicate copy of the bill, should quote reference to the previous bill and before the bill is passed for payment, the duplicate copy of the previous bill, which will be available in the Divisional Office, should be examined to see if the amount deducted on account of previous payments is correct. A reference to the succeeding bill then passed for payment should at the same time be recorded on the previous bill. When a succeeding bill containing a reference to the previous bill is therefore under examination, the previous bill will show whether any subsequent payments have been made and there will be no possibility of any intermediate payments being lost sight of. References to previous payments should also clearly indicate the schedule docket number, bill number and month of payment. If no previous payments have been made, the fact should be clearly noted in the bill.

Running Accounts for Piece-workers.

Final bills necessary for road works.

56. The intermediate bills in regard to road works do not terminate in final bills and the result is that though estimates are closed for "Annual Repairs" and completion reports sent, the accounts of the contractors are kept open for ever. The procedure is that the total value of work done on each annual repair estimate is not brought out in the bill till the end of the year, and the arrears, if any, on the last bill, are carried over to the first bill of the next year under 'Present measurements.' If there are no arrears, the running account for a year ends abruptly and no final acknowledgment for payment for work done is ever taken. This is not correct in principle. The accounts of contractors or piece-workers (there being very few contractors according to the strict application of the term) should be closed with the accounts of the work or estimate for which they were entertained and an acknowledgment in final settlement of all demands obtained and recorded.

Running accounts should be minimised.

57. Another point in connection with the preparation of bills is worthy of note. The recognised systems for carrying out work are daily labour and piece-work, contracts being comparatively few and far between. Daily labour payments are made on a muster roll form, adapted from India Form No. 2. A piece-work in the words of the Code is "That for which only a rate is agreed upon, without reference to the total quantity of work to be done or the quantity to be done within a given period." For works of this nature, prompt measurement and payment are essential and running accounts should be avoided as far as possible. In this State, however, running accounts seem to be the rule and not the exception. A number of bills for small amounts are prepared with little or no balances outstanding and the labour of checking the progressive account of each contractor, thus kept up, is enormous both in the Divisional Office and in the Central Office of Audit. In No. 2 Sub-Division of the Bangalore Division there were several such instances, as many as a dozen bills being sometimes prepared, for work done to the extent of Rs. 300 or Rs. 400. The balances withheld are insignificant and are not sufficient incentive to contractors to finish up works and to claim final payments. Some of the items in the lists of contractors' dues are for sums below Rs. 15 and have been outstanding for over three years, three of them being nearly five years old. A striking instance is a petty sum of one anna shown as due to one Muni Venkatappa since April 1913. This condition of affairs causes endless correspondence all round

and involves work for which there is no corresponding return. It is therefore suggested that, where the value of work to be done by a piece-worker does not exceed a certain money limit, say Rs. 500, payment should be made on the completion of the work as the first and final payment. In fact, there is a Chief Engineer's Circular issued nearly 10 years ago (Chief Engineer's No. 4—5, dated 22nd December 1906) that no arrears should be left in discharging the claims of piece and task-workers, but it remains practically a dead letter. P. W. Form 15 may be used for the purpose of recording first and final payments. A similar procedure is in vogue in Madras and it is calculated to accelerate the closing of works' accounts, to keep down the number of petty outstandings and to reduce the audit work to some extent.

General.

Reduction of work summarised.

58. These proposals, if adopted, will effect the following reduction of work in the Divisional Offices owing mainly to the payment of establishment, etc., bills at treasuries and the proposed abolition of the letters of credit system.

1. Abolition of the entries in cash book relating to salaries, establishment, travelling allowance and contingencies.
2. Saving of work in drawing out cheques for the above and keeping up a running account on counterfoils.
3. Non-preparation of the schedule of establishment charges and the consequent saving of all correspondence connected therewith.
4. Non-preparation of revenue schedules.
5. Abolition of the schedule of expenditure.
6. Non-submission of a monthly schedule of deposits showing the details of all deposits outstanding month after month.
7. Abolition of the system of letters of credit and of the submission of a monthly application and an extract from the Register of Liabilities during the last four months of the year.
8. Saving of correspondence due to the "C" Register being maintained in the Divisional Office and duplicate copies of bills being kept there and ability of Executive Engineer to settle most objections raised by the Audit Office, without reference to the Sub-Divisional Office.
9. Abolition of the monthly statement of temporary establishment.
10. Reduction in the number of running accounts and number of vouchers in consequence of payment for small works by means of a single final bill.

Earlier submission of accounts.

59. It will then be possible to render the divisional accounts to the Audit Office not later than the 5th of the month following that to which the accounts relate.

VII. Work in the Comptrollers' Office.

Letters of Credit.

Present system.

60. Disbursing Officers of the Public Works Department are now placed in funds by means of letters of credit, they being the Executive Engineer's authority to draw funds from the treasury and the treasury Officer's authority to cash cheques up to that extent. About the 10th of each month, the Executive Engineer sends an application in Form 41 D to the Comptroller, asking for credits on certain treasuries for specified amounts during the next month. The budget clerk of the Book Section checks the figures in the application and after making sure that the grant of the Division will not be exceeded by the credit applied for, enters the amounts in a register kept for the purpose. A consolidated statement of the amounts required for all Divisions is then prepared, passed by the Superintendent and the Gazetted Officer and sent to the Civil Branch, where intimations are sent to Treasury Officers regarding the amounts of credit-

required by each officer. Supplemental credits are dealt with in the same way, the only difference being that the grant of such credits is communicated by the Civil Branch to the Public Works Branch and to the Executive Engineers concerned.

Letters of credit unnecessary.

61. Such a procedure is not usually considered necessary with regard to other departments. The usually accepted principle in such cases is that the primary responsibility for seeing that the grant is not exceeded rests with the spending officer and that the function of audit is only to bring to the notice of the authorities concerned, any excess of expenditure up to date over the budget allotment or over the grant as it stands at the end of each month and to ask for sanction, if the grant has been or is about to be exceeded. It does not seem necessary, therefore, that in the Public Works Department, the Audit Office should inform Treasury Officers of the extent of drawings which may be allowed to Executive Engineers every month and thus exercise an additional control to see that the grants are not exceeded. This charge has already been introduced in many provinces in British India. By abolishing the system of letters of credit, the following saving of work will be effected in Divisional Offices:—

Saving of work by abolition of letters of credit.

1. Preparation of the application for letters of credit.
2. Preparation of extracts from register of liabilities in the last months of the year.
3. Maintenance of a separate running account for letters of credit in the cash book in which the credits are posted on the receipt side and a balance is struck each month.
4. The work involved in striking a balance in the counterfoil of the cheque book every time a cheque is drawn.
5. Reconciliation of the treasury and cash book balances of the letters of credit in forms 20-A and 20-B.

62. In the Audit Office, the monthly scrutiny of the applications, the posting in the register and the monthly intimations to the Treasury Officer will all be saved.

Executive Officers' responsibility for regulating grants.

63. A return of grants, expenditure and unspent balances is now sent to Government during the last four months of the year and extracts therefrom are sent to Superintending Engineers of Circles. It is prepared from the applications for credits and the abstracts of the schedules of expenditure and is intended to apprise Government of the progress of expenditure. Extracts are sent to Superintending Engineers, calling for further statistics and explanations of excesses or lapses from grants. They are finally sent to Executive Engineers for necessary action and explanations. The proper utilisation of grants and timely notice of lapses or excesses can however be better secured by holding disbursing officers responsible for taking proper action. The multiplication of returns from the Audit Office is no guarantee for effective executive action. The return may well be abolished and the progress of expenditure watched by means of progress reports submitted to Superintending Engineers and the Chief Engineer. These are already in use and if they are correctly prepared and submitted, they serve to bring the administrative officers of the department into closer touch with the executive and to secure greater efficiency and control over execution of works and progress of expenditure than any number of account statements of a routine nature.

64. A simple return showing the grant and expenditure, extracted from the consolidated abstract, may however be required from the Audit Office and no heavy work will be entailed thereby.

Audit of Accounts and Vouchers.

Selection of vouchers for arithmetical check.

65. Out of the vouchers received for audit from Divisions, about 50 per cent is selected for arithmetical check. A detailed list of vouchers is made out by the assistant auditor, or where there is no assistant, by the auditor himself, quoting the schedule docket number, cash book voucher number and the amount of each voucher. The Gazetted Officer marks the

vouchers to be checked arithmetically and the assistant then checks them and notes the fact in the voucher book. The preparation of the list of vouchers takes a great deal of time especially when there are a large number of schedule dockets and vouchers, and after all, the list serves no purpose other than enabling the Gazetted Officer in charge to make a selection with reference to the amount of each voucher and without referring to the vouchers themselves. The present procedure causes unnecessary labour. It is sufficient if the total number of vouchers excluding final bills is noted by the auditor, as also the number to be selected. The Superintendent may then roughly mark the required number, subject to the Gazetted Officer's approval somewhat as follows:—"All vouchers attached to Schedule Dockets 100 to 150 or so" or, in some months, note down the Schedule Dockets and the vouchers (amounts not necessary) to be checked, care being taken to see that the auditor or the Divisional Office does not know what schedule dockets will be selected in any particular month. The percentage selected may also be reduced to 25 per cent as every voucher is arithmetically checked by the Divisional Accountant and the rule requiring every final bill to be arithmetically checked is a sufficient guarantee that no arithmetical mistake in calculations can finally escape detection.

Audit of Fees realised from Inspection Lodges.

66. The detailed audit of these fees month after month seems superfluous. The amounts involved are not large and the objections relate to the non-recovery or over-recovery of a few annas at a time. A test-audit with reference to the visitors' book at inspections should be sufficient, considering that no monthly audit is applied to travellers' bungalow fees, in the Civil Department and that in British India no such detailed audit obtains or has been held necessary.

Audit unnecessary.

Distribution of Establishment Charges.

67. This is carried out both in the Divisional Office and in the Central Office to the very nearest pie. Such a refinement of accuracy does not seem called for in the interests of finance or accounting. It would save labour and serve the purpose equally well, if the calculations are made to the nearest rupee. I have already suggested that the apportionment should be made only in the Account Office at the end of the year.

Annual distribution recommended instead of present monthly distribution.

Objections with regard to Trifling Amounts.

68. A general review of some of the audit notes shows that objections are often taken to differences of a few annas or a few pies in calculation and pursued in correspondence indefinitely. These items are of no very great importance to the finances of the State, and create fruitless correspondence all round. The principle of Civil Account Code, Vol. II, Art. 989, as last revised, may be introduced with advantage. Objections up to annas four may be waived by the Gazetted Officer in charge of each Section and those above that limit and up to Re. 1 by the Deputy Comptroller. The Comptroller may be empowered to waive audit objections up to Rs. 50 in the case of outlay not exactly covered by rule or authority, not sufficiently vouched for, etc., when he considers that the facts of the case warrant the objection being dropped and that Government, if applied to, would sanction the charge. A statement of sanctions accorded under this procedure might be required to be sent up to Government periodically, say once a half-year.

Waiving of petty objections essential.

Register of Buildings.

69. A register of buildings in charge of each Division is maintained by districts. It has columns for capital cost, oridinary repairs, special repairs and columns for the entry of figures for 20 years and is posted up annually from the Divisional Sub-Registers. The posting is laborious and takes much time. The object of its upkeep is to enable the Comptroller to certify to the correctness of the capital cost, etc., of a building when required by Government. The register of buildings is a record of the Executive Engineer's Office and should

Present register unnecessary.

be kept up-to-date there. Its correctness should be examined and verified at inspections. The capital and revenue accounts of buildings, rented or available for rent, contain all the information that is necessary in regard to residential buildings, the capital cost of which is over Rs. 1,000 and which are not situated within the precincts of jails, hospitals, etc. It is only with regard to other buildings that capital cost is not readily checkable in the Audit Office and the Divisional Register has to be relied on. In any case, in which great accuracy is needful, the capital cost may be specially verified in audit with the help of sub-registers. Such requisitions for the investigation of capital cost of buildings other than residences cannot be of frequent occurrence to warrant the maintenance of a special register by the Comptroller. It is not required to be so kept in Public Works Code, paragraph 718, nor does expediency suggest it.

Revised form recommended.

70. A far more useful and necessary register would be one containing columns for the months of the year and showing therein the recoveries each month, so as to show the total recoveries during the year at a glance. In fact, in the monthly return of buildings, the recoveries for the month alone are shown and the total recoveries for the year have to be separately worked out for the Capital and Revenue Accounts and this is now done in an informal register. Again, in order to ascertain the facts about non-occupation or occupation, at reduced rentals, etc., all the twelve months' returns have to be gone through, entailing considerable labour at the end of the year. All this work can be minimised by keeping a register in the accompanying form (Appendix I) which will have a number of buildings entered on one page with some space left between two buildings to admit of changes of occupation being noted. The assessment and recovery may be shown in one line and the arrears below, against each building, so as to enable the unrecovered balance being readily seen. Rent-free buildings and inspection lodges may be recorded in a separate part of the register. The recoveries should be totalled up each month and tallied with the total cash realisations and the Treasury Audit Department statement of recoveries of rent. The register will be kept up by the Divisional Auditor concerned and more effective audit and systematic check secured, with considerable saving of labour in the compilation of the annual Capital and Revenue Accounts.

Review of Audit.

71. There is no review of audit by Gazetted Officers. The review at present conducted is more or less what may be called concurrent audit. The Gazetted Officer scrutinises a percentage of the vouchers of each division as he passes each account and signs the audit note. There is, however, no record of the particular vouchers scrutinised by him. To secure efficiency of audit and effective control by Gazetted Officers, it should be arranged that the accounts of one ordinary Division and one Civil Officer's Division are taken up every month by a Gazetted Officer and examined in detail, a note of any important omissions or irregularities noticed, being made in a separate register kept for the purpose. All other divisional accounts except these will be reviewed by the superintendent in charge but the account itself must be passed in every case by the Gazetted Officer after a rough general examination. All vouchers on which objections are taken should as mentioned already, be passed by the Gazetted Officer. The selection of divisions should be so regulated that the auditor or assistant concerned does not know beforehand what divisional accounts will be reviewed by the Gazetted Officer, till the accounts are completed, and submitted to the officer in charge. It may be mentioned that the review of two divisions a month and of all the divisional accounts at least once a year in the manner described will have better results and conduce to greater efficiency than the haphazard examination of a number of vouchers or other account documents of all Divisions every month.

VIII. Amalgamation of the P. W. and Civil Branches of the Comptroller's Office.

Complete amalgamation of Civil and Public Works Branches of Comptroller's Office necessary.

72. At present, the Comptroller's Office consists of two distinct units, one called the Public Works Branch and the other the Civil Branch. Each of these branches has now separate booking, salary and allowances audit, travelling allowance audit and correspondence sections. The two branches should be completely amalgamated, there being a separate section in the

combined office for the audit of works expenditure of the Public Works Department and Railways and for the audit of Railway Revenue. Separate sections for the same kind of work in the two branches of the office are quite unnecessary.

73. The Comptroller has thus at present two separate book sections, one for the booking of transactions of treasuries and other Civil Departments and the other for the booking of Public Works transactions. In future, there should be only one booking section which should compile the accounts of the State in all its departments. The P. W. book section of the office consists of ten clerks, four for maintaining Divisional Sub-Registers, Provincial Abstract, Register of Buildings, etc., one for Budget and Letters of Credit, Register of unadjusted transfers, and audit of the returns of sanctioned estimates; one for Administrative, Finance and Capital and Revenue, and other annual accounts and unanswered references; two for pay section; one for Civil Exchange Accounts and one for miscellaneous work, namely, transmission of papers, forms, stationery, etc. All these appointments will be abolished and the work arranged for otherwise and the clerks transferred to other sections or absorbed in a general reduction of the establishments.

Divisional Sub-Registers.

Advantages of sub-registers being posted and maintained in the audit sections.

74. These may well be kept by the auditors themselves with the help of assistants, if necessary. As it is, the booking and audit of the schedules of expenditure and of returns of sanctions are done by the book section and the remarks on the schedules are copied and issued by the audit section. Completion reports are received from Executive Engineers direct and booked in the book section, they being finally despatched to the Superintending Engineer through the audit section, where a note of their receipt is made in the list of completion reports due. The scrutiny of the schedule of expenditure (in future, Schedule Dockets) with reference to vouchers and progress of outlay, the posting and disposal of completion reports and the audit of the monthly returns of sanctioned estimates can be better and more thoroughly done by the auditor himself. The advantages are obvious. In the first place, the time in the transfer of papers from "Book" to "General audit" and back is saved. Again, the undesirable system of each paper being handled by more than one section is obviated. Promptness in the disposal of audit objections will thus be secured and the responsibility for audit fixed. It is recommended, therefore, that the duty of maintaining sub-registers be assigned to the auditors themselves.

Pay Section.

75. The pay section of the Public Works Book Department consists of two clerks who maintain a cash book for recording payments to establishments and Gazetted Officers in Bangalore (excluding the Divisions and the Electrical Engineer's Offices but including the Comptroller's Office, the two Superintending Engineers' Offices in Bangalore and the Chief Engineer's Office) and payments to firms outside Mysore. It is not necessary for the Comptroller to keep a separate cash book at all. If treasury payments are introduced for salary and establishment bills, no separate cash book is necessary for such payments. As regards payments to outside firms, the bills will be pre-audited by the auditors of the Divisions concerned and will be made over, after an order of payment has been recorded on them, to the clerk in the Civil Branch who deals with Bank of Madras payments. This clerk will issue the required cheques on the Bank of Madras, transmit the cheques to the firms and re-transfer the bills to the Bank auditor concerned after stamping the bills paid and noting on them the numbers of the cheques issued. The auditors will adjust the amounts of the bills "to debit of the head" Public Works Bills payable by credit to the head "Pre-audit cheques, Bank of Madras." A separate auxiliary account will thus become unnecessary and the need for the two clerks will cease.

76. The book adjustment, for rents realised through the Civil Department, now forming a chief adjustment item in the auxiliary accounts will also disappear, as recoveries will be adjusted finally in the Civil Accounts, and a comparison of the statement (44-B P. W. Form) received with treasury accounts with the recoveries shown in the Divisional accounts will be all that is necessary.

Exchange Accounts.

77. The transactions between two departments under the audit control of two different offices of account and audit are ordinarily adjusted by what are called Exchange Accounts. Under this system, each of the two account offices sends to the other an extract from its monthly accounts, showing amounts which have been debited or credited to the other in its own books for a month. An elaborate and detailed procedure is laid down in the Civil Account Code for dealing with these Exchange Accounts. Where, however, the transactions are between two officers rendering accounts to the same Account ffice, this Oelaborate system is quite unnecessary and the transactions between the two officers are adjusted in the Account Office through the head "Remittances". When the Account Office finds in the Accounts of one of the fficers, a receipt or payment on account of the other, the Account Office adjusts the receipt or payment to the credit or debit of the head "Remittances". If the other officer has intimation of the receipt or payment, he would be expected, in the ordinary course, to show the transaction in his accounts. On receipt therefore of the account of the second officer, the account office debits or credits the amount to the head "Remittances." The head "Remittances" is thus an adjusting head, and receives both a credit and a debit on account of the same transactions in the books of the Account Office in the same month. Where the receipts or payments shown in the accounts of one officer on account of another are not known to the second party, the Account Officer adjusts the transactions directly to the proper head of account and not to "Remittances", and sends an intimation of the transactions to the second party. The method of adjustment is thus simple giving no trouble to the Account Office, which has of course, to see that the credit and debit to the head "Remittances" on account of the same transaction correspond with each other.

Use of Exchange Accounts and the head "Remittances."

78. When originally, the Examiner of Public Works Accounts, Mysore, was independent of the Comptroller, there were two independent Account Offices in the State and the transactions between officers under the audit control of the two offices of account had to be adjusted by means of Exchange Accounts. The two offices were amalgamated long ago and although there is now only one Account Office, the transactions between Public Works and Civil Officers still continue to be adjusted by means of the laborious and complicated system of Exchange Accounts. The system of adjustment through the head "Remittances" should have been introduced as soon as the two offices were amalgamated. Even the system followed in adjusting the transactions through Exchange Accounts is much more laborious than it need be. The system in vogue at present is as follows:—The Civil branch of the Comptroller's office sends to the Public Works Branch, a monthly Exchange Account showing all the receipts and payments in the Civil Departmant on account of the Public Works Department. On receipt of this account in the Public Works Branch, the transactions are posted by a special clerk, into separate registers for debits and credits and are then communicated to the Divisional Officers concerned, so that the latter may bring them to their accounts. The office copies of these communications to Divisional Officers are sent to the respective auditors who are required to watch the appearance of the corresponding credits and debits in the divisional accounts and note in their audit notes, items which remain unadjusted and also to pursue them in correspondence, with a view to bring about their ultimate adjustment. When the items are adjusted in the divisional accounts, the concerned schedules are sent to the Exchange Accounts clerk who notes the adjustments in his register. Once a year the unadjusted transactions shown in the Exchange Accounts Auditor's registers are extracted and sent to the Divisional Officers again for necessary adjustment. As regards items originating in Public Works Accounts, an outward Exchange Account is prepared by the Public Works Branch, supported by schedules and vouchers and is sent to the Civil Branch. These are adjusted in the Civil accounts and the final adjustment is watched by means of broadsheets in the Civil Branch.

Exchange Accounts unsuitable in Mysore.

79. A summary is appended (para 86) showing these Exchange Account transactions which remained unadjusted at the end of June 1916. It will be seen that the number of items and the total amount remaining unadjusted are very large. The present system, under which each transaction has to pass through a number of different sections of the Comptroller's Office, is thus unnecessarily

Delay in adjustment due to present system.

circuitous, the responsibility for the proper adjustment of each transaction is also divided between a number of sections and the inevitable result is delay in adjustment. There is a further anomaly that the Exchange Accounts register is kept in one section and the adjustment is watched in another section.

80. To take a case of frequent occurrence, Civil Officers acting as Public Works Disbursers incur expenditure on the restoration of tank works, the cost of which is recoverable from raiyats. The Civil Officer shows the expenditure in the accounts rendered by him as a Public Works Disburser, under the head "Items adjustable by Civil Department." The accounts are received about the 20th of the next month and after audit, the remittance schedules are posted into the Exchange Accounts for advice to the Civil Branch for adjustment. It is thus at least two months after the expenditure is incurred, that the item is advised to the Civil Branch for adjustment. The Treasury Audit Miscellaneous Section which deals with exchange accounts, receives the account from the Public Works Branch, makes over the voucher or vouchers concerned to the treasury accounts auditor concerned, and on receipt of the voucher audited, with the head of account noted thereon (Debt Head '31 Miscellaneous') prepares the usual transfer entry for the "classified abstract" and then posts each item in detail in a register specially kept for the purpose. A requisition is then sent in a printed form to the Deputy Commissioner of the District concerned, the same officer who incurred the expenditure in the first instance, for the recovery of the compulsory contribution due. The Deputy Commissioner writes to his subordinate officers and effects the recovery which appears in the treasury accounts and is then posted against the item of expenditure in the register referred to. Unadjusted items are of course taken up and reminders issued. It needs no argument to show that the system cannot conduce to recoveries being effected within six months of the outlay being incurred. A mere glance at the first page of the register in Treasury Audit Miscellaneous Section, shows a large number of items outstanding from 1909-10 and even earlier years, for which contributions have not yet been recovered and the main reason is that the procedure followed is circuitous and frustrates the very object for which Deputy Commissioners have been made responsible disbursers of the Public Works Department for these works. It must have been thought that Deputy Commissioners possessing as they do, greater influence over the raiyats and greater facilities for enforcing the contribution rules, could, when necessary, incur expenditure for the raiyats and recover the contributions promptly. In practice, however, delays are so long that Deputy Commissioners are not infrequently unable to furnish information about particular items and there is protracted correspondence and confusion.

81. To avoid such delays, it is suggested that a register should be kept in one central place and the transactions posted in it as soon as they are adjusted in the accounts and communicated to the Revenue Officers forth with and the adjustment of all remittance items watched by the same person. The following are the heads of classification in the accounts-current now exchanged between the Civil and the Public Works Department:—

New procedure suggested.

1. Remittances from Public Works to Civil—Payments into treasuries by Public Works Department.

2. Remittances from Civil to Public Works Cheques of Public Works Officers (in future "Public Works Bills Payable.")

3. Items adjustable by Civil Department (Expenditure in Public Works Department chargeable upon Civil accounts, etc.)

4. Items adjustable by Public Works Department (Payments for lands taken up for Public Works Department, etc.)

82. It has been explained already that the transactions under Class I will be adjusted in the treasury accounts directly under the proper head of account and the head "Remittances" will not be used for them at all. The second class of transactions will be adjusted in the treasury accounts under the head "Public Works Bills Payable" and the head "Remittances" will not be necessary for them also.

83. Heads 3 and 4 relate to transactions which are known only to the Officer of the Department in which it originates and not to the Officer concerned of the other department

until it is communicated to him. In the case of these transactions originating in Treasuries, the Treasury Officer should be required to communicate them to the Public Works Officer concerned; on the 1st of the following month by means of a schedule, one copy of which will be submitted by him to the Audit Office also with his monthly accounts.

84. For the prompt adjustment and watching of these transactions, a broadsheet will be maintained in future in the Comptroller's Office for each of the above sub-heads, by a clerk in the amalgamated book section, who will post it in the manner explained below and will be responsible for the adjustment of the transactions.

85. As regards Head 3, which relates to items originating in Public Works Accounts, the schedules received from the P. W. Officers will be made over by the Works Audit Section after check with all the supporting vouchers to the Book Section where the items will be posted in the broadsheet with separate columns for debits and credits. The vouchers will be audited by the Treasury Audit Department, by whom the required intimation to the Civil Officers concerned will also be sent, but the adjustment to the final head of account will be made by the Book Department clerk.

86. With regard to *Head 4*, dealing with transactions occurring in the first instance in the treasury accounts, the original items shown in the schedules received with the treasury accounts will be posted in the broadsheet maintained by the Book Section clerk as in the case of Head 3 and the corresponding credits or debits will be posted against each item from the responding schedules of the Public Works Department, so that the unadjusted items will be brought out at the end of every month. These items will generally consist of transactions advised to the wrong Division first, rejected by that Division and then intimated to the proper Public Works Officer too late for inclusion in the same month's accounts. There should be no balance outstanding for over a month and at the end of the year, and the supplemental accounts should be utilised for the complete reconciliation and adjustment of all remittance items in an official year.

BALANCES OUTSTANDING TILL JUNE 1916 IN ACCOUNT-CURRENT BETWEEN PUBLIC WORKS DEPARTMENT AND CIVIL DEPARTMENT.

ITEMS ADJUSTABLE BY PUBLIC WORKS DEPARTMENT.

Head of Account	Credits		Debits		Remarks
	No. of items	Amount	No. of items	Amount	
		Rs. a. p.		Rs. a. p.	
Public Works Department, ordinary	350	1,25,737 5 6	25	17,551 5 0	Credit for about Rs. 95,752 relates to June 1916 and is in course of adjustment. It comprises nearly one hundred items.
Cauvery Power Scheme ...	6	409 1 2	5	9,600 0 1	
Railway	12	—1,68,869 12 6	30	—3,502 2 0	

IX. GENERAL.

Possibility of effecting considerable reductions in Comptroller's Establishment.

87. If the above proposals are given effect to, the Book section as a separate entity in the Public Works Branch will disappear and the clerks will be merged in other sections or be absorbed in a possible reduction of establishment. The sub-register keepers and the provincial abstract clerk will be abolished. The clerks for Finance and Administrative accounts, etc., and the budget clerk will be transferred to corresponding sections of the Civil Branch. The Pay section clerks, the Exchange Account clerk and the Establishment clerks will be merged in the corresponding sections of the Civil Branch, the number being reduced. Forms and Stationery required for the P. W. Section will be transferred to the clerk performing the same duties in the correspondence section of the Civil Branch.

88. There are 8 clerks now in the Correspondence section (excluding the Head Clerk) and if audit notes, objectionable items statements, disallowance lists and annual statements of

unoperated works are not copied in that section, a good number out of the eight clerks as well as the Head Clerk will not be necessary, the Head Clerk and the other clerks of the Civil Branch managing the whole work.

Saving of Work in the Audit Office.

89. The audit in the Central Office will also be done in a shorter time and with greater efficiency, owing to the following changes proposed and it should be possible to complete the audit by the end of the same month in which the accounts are received :—

1. Reduction in the number of vouchers submitted to audit.
2. Reduction in the number of vouchers to be arithmetically checked.
3. Saving of work due to abolition of the Schedule of Establishment Charges and the non-submission of acquittance rolls to audit.
4. Non-submission to audit of the monthly statement of stock.
5. Transfer to local audit of the half-yearly returns of stock and yearly returns of tools and plant.
6. Saving of time and correspondence consequent on sub-registers being posted and kept up by the auditors themselves, instead of by a separate set of clerks.
7. Simplification of the adjustment of remittance transactions and removal of the divided responsibility brought about by one of the clerks of the Book Section keeping the Exchange Register and advising the Civil Debits and Credits to Executive Engineers and in the auditors having to watch the adjustment of such items in the Divisional Accounts.
8. The Gazetted Officer's review being limited to a detailed scrutiny of two accounts a month, instead of an undetermined number of vouchers in every account.
9. Check of applications for letters of credit and the issue of letters of credit.

90. It will thus be seen that the proposals, while ensuring greater efficiency and control, will tend to the compilation of accounts and completion of audit before, the close of the month following that to which the accounts relate. Even with a smaller establishment, it will be possible to devote more time to the substantial than to the formal part of audit and to secure more effective audit control.

91. Detailed proposals for the division of the office into separate sections and for the sub-division of the latter into groups, together with proposals for the establishment required for each will be submitted separately.

K. L. DATTA,
23-12-16.

APPENDIX A.

Statement showing the number and amount of vouchers due to the end of 1915-16.

Name of Division	Prior to 1910		1910-11		1911-12		1912-13		1913-14		1914-15		1915-16		Total		Number and amount of bills included in the previous column	
	Number of vouchers	Amount	Number of vouchers	Amount	Number of vouchers	Amount	Number of vouchers	Amount	Number of vouchers	Amount	Number of vouchers	Amount	Number of vouchers	Amount	Number of vouchers	Amount	Number of vouchers	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs.
Mysore	279	22,558 3 1	122	14,636 2 6	129	7,429 7 5	245	22,860 13 7	505	51,478 8 0	465	39,815 14 0	376	34,121 9 8	2,121	1,92,900 10 3	1,000	1,33,414
Bangalore	69	12,001 15 9	17	1,938 1 5	73	11,458 10 4	230	16,408 13 2	111	14,371 4 0	53	9,858 14 6	41	4,070 1 0	594	70,107 12 2	85	12,379
C. R. Works	2	25 0 0	1	2 0 0	54	2,105 4 3	40	2,692 12 1	133	68,406 9 1	90	48,600 11 9	41	16,011 9 9	361	1,37,843 14 11	18	49,375
Shimoga	1	173 2 0	1	34 8 3	5	518 10 11	46	8,146 4 6	44	4,466 2 4	184	23,663 13 6	345	24,237 11 7	626	61,240 5 1	140	23,369
Kolar	2	97 12 0	4	373 11 6	10	687 6 4	64	6,245 12 5	75	1,975 0 7	130	7,038 15 7	176	8,513 4 5	461	24,931 14 10	116	4,933
Tumkur	...	.....	6	322 6 5	35	1,423 5 8	60	2,849 7 5	124	8,176 1 6	164	10,276 14 9	189	17,196 14 5	578	40,245 2 2	86	6,139
Hassan	6	320 5 11	27	1,142 11 7	50	2,453 12 10	95	10,142 14 1	151	10,969 1 0	80	10,578 2 3	61	6,227 0 10	470	41,834 0 6	69	8,483
Kadur	...	.....	2	84 10 5	4	185 7 7	10	278 0 0	11	276 7 8	41	1,718 6 10	65	6,916 0 2	133	9,459 0 8	56	6,179
Chitaldrug	...	.....	3	405 1 4	76	5,096 2 6	58	3,623 1 8	33	2,211 15 10	27	1,869 15 1	50	3,022 11 7	247	16,229 0 0	8	369
Akkihebbal	...	.....	...	.....	...	.....	...	.....	...	.....	9	383 6 6	36	1,183 1 2	45	1,566 7 8	45	1,566
Yedatore	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	4	2,561 12 0	4	2,561 12 0	3	562
Mysore Headquarter Range	...	.....	...	.....	3	116 0 0	3	6,621 0 0	46	6,705 0 0	146	52,918 0 0	96	43,951 0 0	294	1,10,311 0 0	110	72,999
Sanitary	...	.....	...	.....	...	.....	...	.....	8	711 0 0	19	1,432 0 0	41	2,988 0 0	68	5,131 0 0	23	3,830
Water-Supply	6	71 13 7	10	800 7 3	33	10,665 9 4	15	516 11 7	59	20,967 9 0	95	66,433 10 10	233	58,343 15 5	451	1,57,799 13 0	157	75,743
Workshop	...	.....	...	.....	...	.....	...	.....	...	.....	...	.....	62	12,374 14 4	62	12,374 14 4	25	7,169
Irrigation	...	.....	...	.....	...	.....	...	.....	...	.....	2	172 0 0	83	7,204 4 10	85	7,376 4 10	51	4,364
MARAMAT DEPARTMENT.																		
Bangalore District ...	1	16 0 0	...	.....	...	.....	1	82 5 0	17	2,265 11 5	11	614 3 0	91	9,549 5 0	121	12,527 8 5	30	3,628
Kolar do ...	...	.....	...	.....	...	.....	1	35 0 0	2	412 10 4	3	51 14 0	60	6,335 14 1	66	6,835 6 5	28	6,735
Tumkur do ...	...	.....	...	.....	...	.....	...	.....	...	.....	29	1,690 9 5	174	13 288 6 3	203	14,978 15 8	65	14,524
Mysore do ...	..	.....	...	.....	...	.....	1	29 1 9	1	11 1 0	4	210 4 0	29	3,047 9 10	35	3,298 0 7	25	3,031
Hassan do ...	...	.....	3	505 8 0	3	441 3 3	10	375 11 5	14	294 12 9	7	481 6 1	108	9,996 0 6	145	12,094 10 0	58	6,268
Shimoga do ...	...	.. ...	...	.....	...	.....	...	.....	6	336 11 0	20	1,324 7 6	92	10,088 4 2	118	11,749 6 8	93	10,545
Kadur do ...	...	.....	...	.....	1	42 15 11	...	.....	...	.....	1	4 7 6	12	1,238 7 10	14	1,285 15 3	10	1,161
Chitaldrug do ...	...	.. ...	...	.....	...	.....	2	27 0 0	5	462 13 8	9	849 14 2	33	2,311 14 10	49	3,651 10 8	45	3,091
Comptroller's Office ...	..	.....	...	.....	...	.....	...	.....	...	.....	2	506 4 0	7	746 1 0	9	1,252 5 0	...	...
Total ...	366	35,264 4 4	196	20,245 4 8	476	42,624 0 4	881	80,934 12 8	1,345	1,94,498 7 2	1,591	2,80,494 3 3	2,505	3,05,525 14 8	7,360	9,59,586 15 1	2346	4,59,856
Railway Construction ...	...	.....	...	.....	...	.....	...	.....	60	4,583 15 0	106	6,814 0 9	181	35,709 1 1	347	47,107 0 10	124	33,825
Total ...	366	35,264 4 4	196	20,245 4 8	476	42,624 0 4	881	80,934 12 8	1,405	1,99,082 6 2	1,697	2,87,308 4 0	2,686	3,41,234 15 9	7,707	10,06,693 15 11	2470	493,681

NOTE.—No detailed bills were required to be submitted to audit prior to November 1912.

APPENDIX B.

REGISTER OF PASSED BILLS.

No. of bills	Reference to item No. in Register of bills received for audit in the divisional office	Name of payee	Schedule Docket No.	Name of work	Head of account	Amount			Contractors' initials or reference to despatch No. and date	Date of payment
						Rs.	A.	P.		
1										
2										
3										
4										
				Total for the month						

ABSTRACT.

	Rs.	a.	p.
Balance of unpaid bills on the last day of previous month ...			
Bills passed during the month ...			
Total ...			
Cashed as per pass books			
* Balance ...			

* (List of unpaid bills to be detailed.)

APPENDIX C.

Abstract of Objectionable Items remaining unremedied up to end of June 1916.

Divisions	Irregularities as to estimates					Irrigularities as to appropriation					Miscellaneous irregularities including works for which revised estimates are likely to be required				
	No estimates		Excess over estimates			No appropriation		Excess over appropriation			Works for which revised estimates are likely to be required			Miscellaneous	Remark
	No. of works	Amount expended	No. of works	Amount of estimate	Excess expended	No. of works	Amount expended	No. of works	Amount of appropriation	Excess over appropriation	No. of works	Amount of estimate	Outlay to date		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SOUTHERN CIRCLE.		Rs.		Rs.	Rs.		Rs.		Rs.	Rs.		Rs.	Rs.	Rs.	
Mysore Division	18	94,860	5	78,046	24,538	16	27,317	6	13,072	9,159	...	...	...	...	
Bangalore Division	11	17,540	7	93,560	14,964	25	44,593	9	54,281	12,724	...	...	...	...	
Water-Supply Division	17	64,447	3	54,927	7,036	3	29,115	2	100,221	2,594	...	...	...	...	
Sanitary do	3	17,232	...	...	...	2	5,278	1	7,000	900	...	...	...	...	
Irrigation do	9	17,360	1	13,015	2,647	7	10,555	2	13,080	4,170	...	...	...	...	
P. W. Workshop Division	7	27,857	...	...	...	3	7,090	...	...	...	...	...	...	...	
Mysore Head-quarters Range	2	3,402	...	...	...	1	2,774	4	127,000	31,304	...	...	...	...	
Total	67	2,42,698	16	239,548	49,185	57	126,722	24	314,654	60,851	...	...	...	...	...
NORTHERN CIRCLE.															
Shimoga Division	10	16,132	5	58,711	11,301	11	18,563	9	60,225	10,864	5	58,711	70,012	...	
Kolar do	4	6,145	5	42,437	7,783	6	10,277	8	30,300	6,552	5	42,437	50,220	...	
Hassan do	2	6,559	1	117,520	2,519	4	3,256	3	11,000	3,267	...	...	...	...	
Tumkur do	2	21,063	...	...	...	3	8,625	2	10,500	1,437	...	...	...	...	
Kadur do	3	3,377	2	17,265	4,852	2	1,627	2	30,200	5,591	...	...	...	...	
Chitaldrug do	...	...	1	6,676	518	...	...	1	5,000	1,246	...	...	...	...	
Total ...	21	53,276	14	242,609	26,973	26	42,348	25	147,225	28,957	10	101,148	120,232	...	

Abstract of Objectionable Items remaining unremedied up to end of June 1916—*contd.*

Division	Irregularities as to estimates					Irregularities as to appropriation					Miscellaneous irregularities including works for which revised estimates are likely to be required				Remarks
	No estimates		Excess over estimates			No appropriation		Excess over appropriation			Works for which revised estimates are likely to be required			Miscellaneous	
	No. of works	Amount expended	No. of works	Amount of estimate	Excess expended	No. of works	Amount expended	No. of works	Amount of appropriation	Excess over appropriation	No. of works	Amount of estimate	Outlay to date		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CIVIL OFFICERS.		Rs.		Rs.	Rs.		Rs.		ws.	ms.		ws.	ws.		
Chitaldrug District	1	720	...	...	...	1	720	...	...	...	...	...	...	...	
Kolar District	..	...	2	1,205	1,237	...	...	...	...	...	...	...	...	...	
Mysore District	...	...	1	890	571	...	...	...	...	...	...	...	...	...	
Hassan District	...	...	...	...	...	2	1,440	...	...	...	...	...	...	...	
Chief Commandant	...	...	...	...	...	2	2,075	...	...	...	...	...	...	...	
Total ...	1	720	3	2,095	1,808	5	4,235	...	...	...	...	...	...	...	
SUPERINTENDING ENGINEER, C. R. WORKS.															
C. R. Works	2	243,852	13	6,026,708	2,702,855	1	2,721	4	352,000	15,336	...	...	...	...	
No. IV Akkihebbal Division	30	407,486	2	9,818	3,286	...	...	2	40,000	3,734	...	...	...	...	
No. V Yedatore Division	15	697,725	...	...	...	...	...	...	...	...	...	...	...	...	
Total ...	27	13,49,063	15	6,036,526	2,706,141	1	2,721	6	392,000	19,070	...	...	...	...	
Carried over ...	116	16,45,757	48	65,20,778	2,784,107	89	176,026	55	853,879	108,878	10	101,148	120,232	...	

Abstract of Objectionable Items remaining unremedied up to end of June 1916—*concld.*

Divisions	Irregularities as to estimates					Irregularities as to appropriation					Miscellaneous irregularities including works for which revised estimates are likely to be required				Remarks
	No estimates		Excess over estimates			No appropriation		Excess over appropriation			Works for which revised estimates are likely to be required			Miscellaneous	
	No. of works	Amount expended	No. of works	Amount of estimate	Excess expended	No. of works	Amount expended	No. of works	Amount of appropriation	Excess over appropriation	No. of works	Amount of estimate	Outlay to date		
		Rs.		Rs.			Rs.		Rs.			Rs.			
Brought forward ...	116	16,45,757	48	65,20,778	27,84,107	89	1,76,026	55	8,53,879	1,08,878	10	1,01,148	1,10,232	.....	
ELECTRICAL DEPARTMENT.															
Capital works	3	6,748	4	82,763	14,289	4	9,381	4	75,000	10,413	...	.....	.. ...	.....	
Revenue works	2	8,251	23	99,000	51,445	2	8,251	23	99,000	51,445	...	.....	.....	.....	
Depriciation fund	...	...	...	...	...	1	900	...	...	...	...	.....	.....	.....	
Contribution works	12	15,039	...	...	...	...	...	...	...	...	..	.....	.....	.....	
Total ...	17	30,038	27	1,81,763	65,734	7	18,532	27	1,74,000	61,858	...	.....	.....	.....	
Grand Total ...	133	16,75,795	75	67,02,541	28,49,841	96	1,94,558	82	10,27,879	1,70,736	10	1,01,148	1,20,232	.....	
RAILWAY CONSTRUCTION DIVISIONS.															
Mysore-Arsikere Railway No. I Division ...	50	191,051	15	77,206	7,722	3	51,796	...	...	...	...	.....	.....	.....	
Do II Division ...	28	91,147	7	37,978	4,443	2	56	2	7,000	9,322	...	.....	.....	.....	
Kolar-Chikballapur Railway	69	51,855	6	32,372	6,975	4	1,527	7	1,69,000	33,483	...	.....	.....	.....	
Bangalore-Chikballapur Light Railway ...	33	33,622	48	5,64,468	93,141	4	4,216	9	1,07,700	66,648	...	.. ...	.....	.....	
Bangalore-Kolar Railway	6	577	17	1,38,034	5,403	6	401	1	2,000	139	...	.....	.....	.....	
Tarikere-Narasimharajapuram Tramway Construction.	5	1,855	8	1,86,420	15,932	7	807	3	—11,800	15,893	...	.....	.....	.....	
Stores Division	...	...	...	...	...	...	...	...	...	...	...	.....	... ..	.....	
Loco and Carriages	1	21,314	...	...	...	...	...	...	...	...	...	.....	.....	.....	
Total ...	192	391,421	101	10,36,478	1,33,616	26	58,803	22	2,73,900	1,25,485	...	.....	.....	.....	

APPENDIX D.

.....DIVISION.

Objection Book and Adjustment Register for the year.....191 -191 .

Items held under objection for..... .....

Name of work	Balance on 30th June 191	July		August		September		October		November		December		January		February		March		April		May		June		June Supplemental		Balance at the end of 191 -191
		Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected to during and to end of month	Amount cleared during and to end of month	Amount objected in and to end of	Amount cleared in and to end of	
WANT OF ESTIMATE.																												
Constructing a tunnel in Bangalore-Mysore road.	...	...	...	...	...	1,090	...	200	...	100	1,390	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	...	...	...	...	...	*1,090*	...	*1,290*	...	*1,390*	*1,390*	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total ...	...	...	...	...	...	1,090	...	200	...	100	1,390	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	...	...	...	...	...	*1,090*	...	*1,290*	...	*1,390*	*1,390*	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
EXCESS OVER ESTIMATE.																												
Constructing a chemical laboratory at Chitaldrug, estimated Rs. 1,14,040.	...	...	...	...	...	...	...	520	...	215	...	—200	...	...	...	...	...	...	...	...	...	...	535	...	...	...	...	...
	...	...	...	...	...	...	...	*520*	...	*735*	...	*535*	...	*535*	...	*535*	...	*535*	...	*535*	...	*535*	*535*	...	...	...	...	...
Special repairs of Bangalore-Mysore road Rs. 4,000.	...	...	...	...	...	250	...	300	...	—75	475	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	...	...	...	...	...	*250*	...	*550*	...	*475*	*475*	*475*	*475*	...	...	...	...	...	...	...	...	*475*	*475*	...	...	...	...	...
Provincial ...	...	...	...	...	...	250	...	820	...	140	475	—200	...	...	...	...	...	...	...	...	...	...	535	...	...	...	...	...
Total ...	...	...	...	...	...	*250*	...	*1,070*	...	*1,210*	*475*	*1,010*	*475*	...	...	...	...	...	...	...	...	*1,010*	*1,010*	...	...	...	...	...

APPENDIX E.

SCHEDULE DOCKET OR LIST OF VOUCHERS.

DIVISION.....No..... MONTH.....191

Name of work—Constructing a Taluk Office at A—
Register number and amount of estimate—
Fund 33—Civil Works—
State whether "in progress" or completed.....

	Amount	Remarks
	Rs. a. p.	
Bill No.	.....	
Adjustment—		
(1) Payments on Muster Rolls	.....	
(2) Other payments below Rs. 25 ...	.....	
Total bills and adjustments	.....	
Charges for stock	.....	
Total ...	.....	
Add or deduct refunds ...	.....	
Net charges of the month	.....	Amount of appropriation.
Charges of the year	.....	.....
Up-to-date	.....	.....

APPENDIX F.

ABSTRACT OF SCHEDULE DOCKETS.....DIVISION FOR.....19 .

Fund	Number of Schedule docket	Bills passed and adjustments	Stock	Total
33. Civil Works—		Rs. a. p.	Rs. a. p.	Rs. a. p.
Civil Works, Major ...	1 2 3 etc.	... ...		
Minor	4 5 6 etc.	... ...		
Repairs	7 8 9 etc.	... ...		
Tools and plant—New supplies.	10 11 etc.	... ...		
Repairs and carriage ...	12 13 etc.	... ...		
Total 33 Civil Works ...		...		
J.—IRRIGATION.				
32. Minor Works—				
Original Works ...	1 2 etc.	... ...		
Repairs	3 4 etc.	... ...		
and so on for other funds		...		

APPENDIX G.

REGISTER OF BILLS RECEIVED FOR AUDIT IN DIVISIONAL OFFICE.

Serial No.	Name of contractor and brief reference to work	Date of measurement	Date of preparation of bill	Date of submission to audit	Date of completion of audit	Reference to Item No. in the Register of passed bills	Remarks explaining delays, etc.

APPENDIX H.

Total value of work done		.....
Amount to be held in reserve being per cent	.....	
Deduct payments—		
Amount of previous payments as in last bill No. dated, Schedule Docket No.	.....	
Amount of contract certificate attached to this bill paid from permanent advance not yet recouped.	.....	
Amount of advances adjusted	.....	
Recovery of value of stores, etc., supplied	.....	
Amount paid on this bill	.....	
Total ...		.....
Amount actually held in reserve		.....
Deduct—Advances for contractor's materials		
Value of Government materials supplied		
Cash advances made		
Total ...		.....
Net due to or from contractor		...

Received in cash Rs. (in words) and Rs. (in words) on account of advances and value of stores, etc., supplied.

Signature of contractor.

Pay Rs. (in words)

(Stamp of Executive Engineer)

Executive Engineer.

Received the sum of Rs. (in words)

Receipt Stamp.

Signature of Contractor.

Pay Rs. (in words)

and debit the amount to P. W. Bills payable.

Treasury Accountant.

Treasury Officer.

APPENDIX I.

REGISTER OF BUILDINGS RENTED AND AVAILABLE FOR RENT.

Name of building	Normal rate of rent	Name, rank and salary of occupant	Arrears due from last year	Particulars of demands				Total rent recovered during the year	Balance due at end of the year	Remarks
				Period and amount	April	May	June, etc.			

REFORM OF PUBLIC WORKS ACCOUNTS AND PROCEDURE.

Of the three drafts prepared in this case by the Financial Secretariat and concurred in by the P.W.D, I have sent ~~two~~ already to the General Secretary with my suggestions two namely, the two drafts regarding inspection of P.W.Divisional Offices and the prevention of a rush of expenditure in the last month of the year, and the ~~other~~ third draft relating to the reform of the Public Works General System of Accounts is submitted herewith. I have to make the following observations in regard to the draft on this subject prepared in the Finance Department.

2. The draft leaves it to the Comptroller to draw subsidiary instructions for the guidance of departmental officers. As this will take some time and might not enable the new system to be introduced with effect from the 1st of July, I have drafted these instructions myself and they may be issued with this resolution as an appendix.

3. I have made some other verbal alterations in the draft which do not call for any special remarks as no exception can be taken to them. The only important point in connection with this draft is the suggestion ~~now~~ again made by the P.W.D, and concurred in by the Financial Secretary, that the system of preaudit payments ought not to be introduced with regard to bills submitted by P. W. Divisions located in Bangalore, though both the Finance Committee and Council have already approved of the change.

4. The P.W.Secretary considers that

that the proposed preaudit should not be given effect to for the present at least, till it is first known how the new system works in practice. It is explained that the progress of work at Bangalore is more important than mofussil works and it should not be hampered by the proposed preaudit system which is sure to affect it in spite of the safe-guards provided and that in such a matter as this, uniformity of procedure should be aimed at. The Financial Secretary agrees and has put up an alternative para 8 suggesting the postponement of the preaudit system.

5. The system of preaudit has been introduced in Bangalore in regard to all the Civil Departments and is now working satisfactorily. The Comptroller has now been passing all bills submitted to him, within 24 hours of their submission except in a few cases of arrear bills which require investigation with reference to past accounts and registers. Even such bills are being passed generally within 2 or 3 days after receipt. When the office is fully organised it will be possible to pass 70 to 80 per cent of the bills on the day of receipt and the remainder the next day. I do not apprehend any difficulty or inconvenience in giving effect to the proposal regarding the work bills of divisions at Bangalore. By a proper distribution of work among the clerks of the works-audit department of the Comptroller's office, it will be possible to pass most of the P. W. bills also on the same day or at any rate the next day and the

the cheque handed over to contractors living at Bangalore. There will no doubt be a little delay - not greater of course than what now prevails - in the delivery of cheque to contractors living at a distance, but this is hardly attributable to the change in the system. The necessity for audit cannot be disputed in any case and if this audit can be performed before the amount is actually paid by the State and without involving any appreciable delay in payment, such preaudit will undoubtedly conduce to more efficient administration, check the present tendency on the part of departmental officers to disregard rules laid down by Government and compel them to observe them more carefully and thus lead to a reduction in the number of objections and consequent correspondence. With the amalgamation of the District and Huzur Treasuries, the facilities for the encashment of the Comptroller's cheques will be greater and from every point of view, the system has much to recommend it. The payments in Bangalore form a very considerable part of the total P.W. expenditure of the State and if these are preaudited, it will undoubtedly lead to method and regularity of procedure where nothing but chaos and irregularity exist at present, and the example of Bangalore will have very salutary effects in the mofussil divisions as officers who have served in Bangalore will take with them the traditions of the Bangalore divisions and will be able to introduce them in the mofussil divisions more easily. The Secretary P.W.D. wants to give the new system of paying work bills from the Treasury a trial before introducing the

the preaudit system, but I would submit that a system of preaudit will ensure the success of the new procedure much more effectively than otherwise. For irregularities due to a misapprehension of the rules will come to the notice of the Comptroller immediately they are committed and he will be able to advise the departmental officers at once as to how to remedy the defects.

6. The P.W.Secretary also apprehends that preaudit will hamper progress of work. I think his apprehension is unfounded. I have arranged with the Comptroller that for some time to come no bill will be refused payment only on technical grounds without the Comptroller's personal sanction in every case, and in permitting bills to be refused payment, one of the chief things which will guide him is the consideration whether the claim will have to be paid for ultimately. As the head of the Audit Department, I think Government should rely on his discretion to see that bills are not refused payment on technical grounds when he is satisfied that the amount will have to be paid ultimately and when such refusal is likely to hamper progress of work. He will have power to authorise payments provisionally but will take steps at once to compel the departmental officers to regularise the expenditure and if necessary will report the matter immediately after payment, to Government for special orders, if necessary, specially in cases of persistent disregard of rules and his advice. All this is much more likely to secure compliance with rules than the issue of any number of special orders and resolutions by Government

I am therefore strongly of opinion that the system of preaudit advocated by me should be introduced with effect from the 1st July, i.e., the beginning of the new year. A postponement of its introduction will mean, in my respectful opinion, nothing less than a postponement of the improvements which the Government have been striving to secure.

K. L. Datta
28. 6. 1917

Proceedings of the Government of His Highness
the Maharaja of Mysore.

R e a d:-

Note dated 23rd December 1916 by Mr. K. L. Datta, Special Officer, suggesting proposals for the reform of the Public Work system of Payments and Accounts.

O r d e r - No. H 7750-99
G.T. 219-16-1

22nd June/17

In his note read above Mr. Datta points out that the rules laid down in the Public Works Department Code and the Mysore Public Works Manual for the guidance of Executive Officers, in the matter of regulating expenditure and submission of accounts, are not strictly followed and that due attention is not paid to audit objections. It is reported that a considerable amount drawn during the past few years for salaries and establishment charges and held under objection by the Comptroller remain to be regularised, that a large number of vouchers for expenditure incurred up to end of June 1916 aggregating over 10 lakhs of rupees have not been submitted to the Audit Office and that in many of these cases no bills giving detail of the expenditure have been furnished to the Comptroller. It is also stated that the provision made in the departmental budget for works for which no estimates have been sanctioned is unusually heavy. Work in the Audi Office is said to be dilatory as the accounts are not audited and completed and the objection statements issued until the end of the

second

second month after that to which they relate. It is also brought to notice that though the Comptroller's Office was amalgamated with tha of the Examiner of the Public Works Accounts on 1st January 1907, the two Sections of the office are still working as quite independent offices necessitating the employment of a much larger number of Gazetted and Subordinate staff than is actually necessary.

2. To remedy these and other defects Mr. Datta suggests certain measures, the chief of which are:-

(i) The payment of all Salary, Establishment, Travelling Allowance and Contingent bills by Treasury Officers, as in the Civil Department, instead of by the Public Works disbursers themselves.

(ii) Payment of work bills also by treasuries on presentation of regular bills instead of, as at present by cheques drawn by the Public Works Disbursing Officers, and

(iii) In respect of Divisions located at Bangalore, the payment of all bills whether for salary, establishment, travelling allowance or contingent charges or for works executed, to be made after preaudit by the Comptroller.

3. The question of reforming the Publi Works system of audit and accounts by introducing the procedure of drawing money on bills from treasuries instead of on cheques against letters of credit by Divisional Officers, to remove many of the existing defects and irregularities inherent in the present system, has been under the consideration of Government for some time past. In British India this reform

reform has been only partially introduced, bills for salary, establishment, travelling allowance and contingent charges of Public Works Officers being paid by Treasury Officers. Bills for work done, however, still continue to be paid by Officers of the Public Works Department by means of cheques.

4. The first of Mr. Datta's suggestions i.e., to adopt the system of payment of salary, establishment, travelling allowance and contingent bills of Public Works Officers by treasury officers has already been accepted by Government and orders have been issued in f.o. No. Fl.4626-9/G.F.171-16-2 dated 19th February 1917.. The procedure has been introduced in all the Public Works Divisions, including the Electrical and Maramat Departments with effect from 1st April 1917.

5. Government agree that the proposal to pay works bills also at treasuries will remove many of the defects and irregularities brought to notice and that it will tend to ensure that no cash leaves the treasury except on a claim against Government passed by a responsible officer of the Public Works Department and on a duly vouched receipt for the money paid. No practical inconveniences in working the new arrangement are foreseen by the Public Works Department. Government are therefore pleased to direct that with effect from 1st July 1917, all charges of the Public Works Department for work done, be paid from the treasury direct on bills duly passed by Executive Officers of the Department and on the receipt of payees.

As however frequent payments to persons not in Government service on bills in the ordinary form bearing an order for payment enfaced on them are likely to be attended with risk, Government direct that the forms of work bills to be enfaced for payment at the treasury should contain a printed ground work difficult to imitate, on which the amount payable at the treasury should be written in words. These forms should be bound in books of 100 forms each and the books should be kept by the officers or subordinates concerned under lock and key and a proper stock account should be kept for them. All duplicate bills should be drawn in a special form not containing the ground work mentioned above and bearing the words "Not payable at the treasury" printed prominently ~~neatly~~ at the top.

6. To avoid a large number of bills for small amounts being presented at the treasuries and to meet emergent claims for work done, suitable permanent advances will be allowed to Disbursing Officers apart from those allowed for contingent charges and these advances should be recouped by means of bills from the treasury.

7. The amounts mentioned in appendix A are accordingly sanctioned as permanent advances to the officers enumerated in it. These permanent advances will be kept separate from those sanctioned for contingencies in Government Order No. ಸ 4626-9 / ಗ. ವ. 171-16-2 dated 19th February 1919. Divisional Officers other than those in charge of Krishnarajasagar Works and the Mysore Head Quarters Range do

do not ordinarily make any payments of work bills in cash as they are not in direct -- charge of works and no large advances are necessary for them. For meeting petty miscellaneous charges connected with works and stores, e.g., railway frieght, cart hire &c., a permanent advance of Rs.100 is sanctioned to each of them. As regards the Krishnaraja sagar Works piece workers should be paid in cash up to Rs. 250 in each case from the permanent advance and consolidated bills should be prepared as at present, the permanent advance being recouped by encashing them at the treasury. When the amount payable to a piece worker exceeds Rs. 250, a separate bill should be prepared and passed for payment to him at the treasury.

8. As a result of the adoption of this new arrangement some changes in the system of accounts are necessary. These changes are described in the accompanying memo and new rules are laid down therein regarding the preparation of work bills, their scrutiny by Divisional Officers, their payment at treasuries, the compilation of accounts in the Executive Engineers' Offices, their submissio to the Audit Office, the abolition of the system of Letters of Credit and the submissio of completion reports. These rules should be carefully studied and followed and any doubts which may arise in the practical working of the scheme should forthwith be referred to the Comptroller for solution.

9. As regards Mr. Datta's suggestion that in respect of divisions located in Bangalore all payments should be made after pre-

audit in the Comptroller's Office by means of cheques, Government while recognising some of the advantages of the system from the accounts point of view are of opinion that it may not prove quite convenient to contractors. It is also not desirable that the Comptroller's office should have to send numerous cheques by post to Sub Divisional Officers for delivery to contractors. The Financial Secretary is not in favour of the change and the Public Works Secretary after consulting the Departmental officers recommends that in the case of the Public Works Department the system of pre-audit for Divisions located in Bangalore may not be introduced at present. In these circumstances Government reserve the question of introducing the pre-audit system for Divisions located in Bangalore for future consideration after the system of payment by bills instead of by cheques has been in operation for some time.

10. The suggestions made by Mr. Datta in regard to the simplification of the accounts work done in the Comptroller's Office are also approved. The Comptroller is requested to take needful action in the matter in consultation with Mr. Datta.

11. The proposal of Mr. Datta for the complete amalgamation of the Public Works and Civil Branches of the Comptroller's Office calculated to reduce the work and the establishment of that office, is also approved and his detailed proposals about the reorganisation of the Comptroller's Office staff are awaited.

12. Government have passed separate orders in regard to the strict observance by departmental

Departmental Officers of the rules of the Public Works Code and the Standing Orders issued from time to time, the desirability of regular inspections by the controlling officers of the Department and the Comptroller and other disciplinary measures necessary to enable Government to exercise a more effective control over the administration of the Public Works Department.

13. With the strict enforcement of these several orders and the introduction of the changes now sanctioned, Government hope that there will be a decided improvement in the working of the Public Works Department.

Secretary to Government,
General Department.

To

The Comptroller, Mysore Government.
The Secretary to Government, Public Works Department.
The Chief Engineer, Public Works Department.
The Chief Electric Engineer.
The Revenue Commissioner.
All Superintending and Executive Engineers.
Mr. K.L. Datta, Special Officer.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

Reform of the Public Works System of Payments and Accounts.

Passes orders on certain proposals of the Special Officer, Mr. K. L. Datta, M.A., *re*——.

W D 3038—GPB—16-7-17—400

Reform of the Public Works System of Payments and Accounts.

No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

Read—

Note dated 23rd December 1916, by Mr. K. L. Datta, Special Officer, suggesting proposals for the reform of the Public Works System of Payments and Accounts.

Order No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

In his note read above, Mr. Datta points out that the rules laid down in the Public Works Department Code and the Mysore Public Works Manual for the guidance of Executive Officers, in the matter of regulating expenditure and submission of accounts are not strictly followed and that due attention is not paid to audit objections. It is reported that a considerable amount drawn during the past few years for salaries and establishment charges and held under objection by the Comptroller remain to be regularised, that a large number of vouchers for expenditure incurred up to end of June 1916 aggregating over 10 lakhs of rupees have not been submitted to the Audit Office and that in many of these cases no bills giving details of the expenditure have been furnished to the Comptroller. It is also stated that the provision made in the departmental budget for works for which no estimates have been sanctioned is unusually heavy. Work in the Audit Office is said to be dilatory as the accounts are not audited and completed and the objection statements issued until the end of the second month after that to which they relate. It is also brought to notice that though the Comptroller's Office was amalgamated with that of the Examiner of Public Works Accounts on 1st January 1907, the two sections of the office are still working as quite independent offices, necessitating the employment of a much larger number of Gazetted and subordinate staff than is actually necessary.

2. To remedy these and other defects Mr. Datta suggests certain measures, the chief of which are :—

(i) The payment of all salary, establishment, travelling allowance and contingent bills by Treasury Officers, as in the Civil Department, instead of by the Public Works Disbursing Officers themselves.

(ii) Payment of work bills also by treasuries on presentation of regular bills instead of, as at present, by cheques drawn by Public Works Disbursing Officers and

(iii) In respect of Divisions located at Bangalore, the payment of all bills whether for salary, establishment, travelling allowance or contingent charges or for works executed, to be made after preaudit by the Comptroller.

3. The question of reforming the Public Works system of audit and accounts by introducing the procedure of drawing money on bills from treasuries instead of on cheques drawn by Divisional Officers against Letters of Credit to remove many of the existing defects and irregularities inherent in the present system, has been under the consideration of Government for some time past. In British India, this reform has been only partially introduced, bills for salary, establishment, travelling allowance and contingent charges of Public Works Officers being paid by Treasury Officers. Bills for work done, however, still continue to be paid by Officers of the Public Works Department by means of cheques.

4. The first of Mr. Datta's suggestions, *i.e.*, to adopt the system of payment of salary, establishment, travelling allowance and contingent bills of Public Works Officers by Treasury Officers has already been accepted by Government and orders have been issued in Government Order No. Fl. 4626-9—G. F. 171-16-2, dated 19th

February 1917. The procedure has been introduced in all the Public Works Divisions, including the Electrical and Maramat Departments with effect from 1st April 1917.

5. Government agree that the proposal to pay work bills also at treasuries will remove many of the defects and irregularities brought to notice and that it will tend to ensure that no cash leaves the treasury except on a claim against Government passed by a responsible officer of the Public Works Department and on a duly vouched receipt for the money paid. No practical inconveniences in working the new arrangement are foreseen by the Public Works Department. Government are therefore pleased to direct that with effect from 1st July 1917, all charges of the Public Works Department for work done, be paid from the treasury direct on bills duly passed by Executive Officers of the Department and on the receipt of payees.

As, however, frequent payments to persons not in Government service on bills in the ordinary form bearing an order for payment enfaced on them are likely to be attended with risk, Government direct that the forms of work bills to be enfaced for payment at the treasury should contain a printed ground work, difficult to imitate, on which the amount payable at the treasury should be written in words. These forms should be bound in books of 100 forms each and the books should be kept by the officers or subordinates concerned under lock and key and a proper stock account should be kept for them. All duplicate bills should be drawn in a special form not containing the ground work mentioned above and bearing the words " Not payable at the treasury " printed prominently at the top.

6. To avoid a large number of bills for small amounts being presented at the treasuries and to meet emergent claims for work done, suitable permanent advances will be allowed to Disbursing Officers apart from those allowed for contingent charges and these advances should be recouped by means of bills from the treasury.

7. The amounts mentioned in Appendix A are accordingly sanctioned as permanent advances to the officers enumerated in it. These permanent advances will be kept separate from those sanctioned for contingencies in Government Order No. Fl. 4626-9—G. F. 171-16-2, dated 19th February 1917. Divisional Officers other than those in charge of Krishnarajasagar Works and the Mysore Headquarters Range do not ordinarily make any payments of work bills in cash as they are not in direct charge of works and no large advances are necessary for them. For meeting petty miscellaneous charges connected with works and stores, *e.g.*, railway freight, cart-hire, etc., a permanent advance of Rs. 100 is sanctioned to each of them. As regards the Krishnarajasagar Works, pieceworkers should be paid in cash up to Rs. 250 in each case from the permanent advance and consolidated bills should be prepared as at present, the permanent advance being recouped by encashing them at the treasury. When the amount payable to a pieceworker exceeds Rs. 250, a separate bill should be prepared and passed for payment to him at the treasury.

8. As a result of the adoption of this new arrangement, some changes in the system of accounts are necessary. These changes are described in the accompanying memo and new rules are laid down therein regarding the preparation of work bills, their scrutiny by Divisional Officers, their payment at treasuries, the compilation of accounts in the Executive Engineers' Offices, their submission to the Audit Office, the abolition of the system of Letters of Credit and the submission of completion reports. These rules should be carefully studied and followed and any doubts which may arise in the practical working of the scheme should forthwith be referred to the Comptroller for solution.

9. As regards Mr. Datta's suggestion that in respect of Divisions located in Bangalore, all payments should be made after preaudit in the Comptroller's Office by means of cheques, Government, while recognising some of the advantages of the system from the accounts point of view, are of opinion that it may not prove quite convenient to contractors. It is also not desirable that the Comptroller's office should have to send numerous cheques by post to Sub-Divisional Officers for delivery to contractors. The Financial Secretary is not in favour of the change and the Public Works Secretary after consulting the Departmental officers recommends that in the case of the Public Works Department, the system of preaudit for Divisions located in Bangalore may not be introduced at present. In these

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circumstances, Government reserve the question of introducing the preaudit system for Divisions located in Bangalore for future consideration after the system of payment by bills instead of by cheques has been in operation for some time.

10. The suggestions made by Mr. Datta in regard to the simplification of the accounts work done in the Comptroller's Office are also approved. The Comptroller is requested to take needful action in the matter in consultation with Mr. Datta.

11. The proposal of Mr. Datta for the complete amalgamation of the Public Works and Civil Branches of the Comptroller's Office calculated to reduce the work and the establishment of that office, is also approved and his detailed proposals about the reorganisation of the Comptroller's Office staff are awaited.

12. Government have passed separate orders in regard to the strict observance by departmental officers of the rules of the Public Works Code and the standing orders issued from time to time, the desirability of regular inspections by the controlling officers of the Department and the Comptroller and other disciplinary measures necessary to enable Government to exercise a more effective control over the administration of the Public Works Department.

13. With the strict enforcement of these several orders and the introduction of the changes now sanctioned, Government hope that there will be a decided improvement in the working of the Public Works Department.

D. M. NARASINGA RAO,
Secy. to Govt., Gen. Dept.

To—The Comptroller, Mysore Government.
The Secretary to Government, Public Works Department.
The Chief Engineer, Public Works Department.
The Chief Engineer, Irrigation Department.
The Chief Electrical Engineer.
The Revenue Commissioner in Mysore.
The Superintending and Executive Engineers.
Mr. K. L. Datta, Special Officer.
The other Heads of Departments.

Exd—C. R.

No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

APPENDIX A.

Permanent Advances to Executive Engineers, Sub-Divisional and other Disbursing Officers.

Name of Division	Executive Engineer, Sub-Divisional and other Disbursing Officers to whom permanent advances are sanctioned	Amount of permanent advance	Remarks
		Rs.	
1. Bangalore Division.	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer, Headquarters Range.	500	
	Sub-Divisional Officer. No. 1. ...	500	
	Do do ,, 2 ...	500	
	Do do ,, 3 ...	400	
	Do do ,, 4 ...	1,000	
	Sub-Divisional Officer, Maralwadi	500	
	Do do Ootacamund.	500	
2. Mysore Division...	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer No. 1 ...	750	
	Do do ,, 2 ...	1,000	
	Do do ,, 3 ...	1,000	
	Do do ,, 4 ...	1,000	
	Do do ,, 5 ...	1,000	
	Sub-Divisional Officer, Herigai...	1,000	
3. Irrigation Division.	Executive Engineer ...	1,000	.....
	Sub-Divisional Officer, Marikanave	1,000	
4. Public Works Workshop.	Superintendent	1,000	.....
5. Sanitary Division.	Assistant Engineer in charge ...	500	.....
	Sub-Divisional Officer No. 1 ...	50	
6. Mysore Headquarters Range.	Executive Engineer ...	1,000	.....
7. Water-Supply Division.	Executive Engineer ...	500	.....
	Soldevanhalli Pumping Station...	50	
	Shimoga Water Works ...	50	
	Jewel Filters	50	
	Davangere Sub-Division, Harihar Water Works	250	
8. Kadur ...	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer		
	No. 1 (Headquarters)—	500	
	No. 2	500	
	No. 3	250	
	No. 4	500	
	No. 5	500	

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Appendix A—*contd.*

Name of Division	Executive Engineer, Sub-Divisional and other Disbursing Officers to whom permanent advances are sanctioned	Amount of permanent advance	Remarks
		Rs.	
9. Kolar	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer—		
	No. 1 (Kolar)	500	
	No. 2 (Bowringpet) ...	1,000	
	No. 3 (Chintamani) ...	1,000	
	No. 4 (Chikballapur) ...	1,000	
	No. 5 (Bagepalli) ...	500	
10. Tumkur	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer No. 1	500	
	Do do „ 2 ...	250	
	Do do „ 3 ...	500	
	Do do „ 4 ...	500	
	Sub-Divisional Officer, Deepanbudi Tank Works ...	500	
	Sub-Divisional Officer, Nidasal...	50	
11. Chitaldrug ...	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer No. 1 ...	250	
	Do do „ 2 ...	500	
	Do do „ 3 ...	500	
	Do do „ 4 ...	500	
12. Shimoga	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer, No. 1 ...	500	
	Do „ 2 ...	500	
	Do „ 3 ...	1,000	
	Do Honnali bridge ...	200	
13. Hassan	Executive Engineer ...	100	For Railway freight, cart-hire, etc.
	Sub-Divisional Officer, No. 1 ...	1,000	
	Do „ 2 ...	750	
	Do „ 3 ...	500	
	Do „ 4 ...	750	
	CIVIL OFFICERS.		
14. Deputy Commissioner, Bangalore.	Deputy Commissioner ...	100	
15. Deputy Commissioner, Kolar.	Do ...	100	
16. Deputy Commissioner, Tumkur.	Do ...	100	
17. Deputy Commissioner, Mysore.	Do ...	100	
18. Deputy Commissioner, Hassan.	Do ...	100	
19. Deputy Commissioner, Shimoga.	Do ...	100	

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Appendix A—*concld.*

Name of Division	Executive Engineer, Sub-Divisional and other Disbursing Officers to whom permanent advances are sanctioned	Amount of permanent advance	Remarks
		Rs.	
20. Deputy Commissioner, Kadur.	Deputy Commissioner ...	100	
21. Deputy Commissioner, Chitaldrug.	Do ...	100	
22. Inspector-General of Police.	Inspector-General of Police ...	100	
	CAUVERY POWER SCHEME.		
23. Chief Electrical Engineer's Office.	Chief Electrical Engineer ...	250	
	Chief Line Inspector ...	2,000	Imprest already sanctioned by Government.
	Chief Operator, Kolar Gold Fields	500	
	Assistant Chief Line Inspector ...	500	
24. Bangalore Power and Lighting.	Superintendent ...	1,000	
25. Mysore Power and Lighting.	Do ...	1,000	
26. Sivasamudram ...	Chief Operator ...	1,000	*Out of this amount, a suitable sub-imprest may be given to the Executive Engineer, No. II Division, for payments on the North Bank in addition to the imprest of Rs. 1,000 sanctioned for him for urgent payments.
	KRISHNARAJASAGAR WORKS.		
27. Superintendent's Office (Dam Works)	Superintendent, Dam Works ...	30,000*	
28. Special Land Acquisition Office.	Special Land Acquisition Officer	1,000	
29. No. II Division ...	Executive Engineer ...	1,000†	
30. No. III Division ...	Do ...	1,000‡	
31. No. IV Akkihebbal.	Executive Engineer ...	1,000	†This is only to meet urgent payments.
	Sub-Divisional Officer, No. 1 ...	100	
	Do „ 2 ...	100	Weekly payments to labourers, etc., will be met from sub-imprests granted by the Superintendent.
	Do „ 3 ...	500	
32. No. V. Yedatore ...	Executive Engineer ...	1,000	
	Sub-Divisional Officer, No. 1 ...	200	
	Do „ 2 ...	200	
	Do „ 3 ...	150	‡Sub-imprests may be sanctioned, as necessary, to the survey parties.

No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

MEMORANDUM.

The following subsidiary instructions are issued for the information and guidance of officers and subordinates of the Public Works Department with regard to the preparation and payment of work bills and compilation of Sub-Divisional and Divisional accounts.

I. Preparation and Payment of Work Bills.

1. Works are executed either under the contract or the piecework system or by departmental labour. When work is done by contract, a contract certificate will be drawn in triplicate, one to be handed over to the payee after having been passed for payment at the treasury by the Executive Engineer and to be presented by the contractor for payment at the treasury, one for the Divisional Office and one for the Sub-Divisional Office. The original copy should be in white or yellow form according as it is an intermediate or a final bill, while the copies to be retained in the Divisional and Sub-Divisional Offices will be in the same form but bearing at the top the printed words "Not payable at the Treasury" and will also be in coloured paper to distinguish them readily from the original bills which will be payable at the Treasury. All the three copies should be submitted to the Divisional Office where the bill will be audited in the same detail in which it is audited now and when the Accountant has passed it, a pass order sheet in Form D will be attached to the original copy of the bill and all the three copies will be put up before the Executive Engineer, who will affix his signature on the pay order written on the ground work in the pass order sheet attached to the original copy, and at the same time impress a stamp "Pay order issued" on the bills, the stamp being always kept in his personal custody. The original bill thus stamped and with the pass order sheet duly signed by the Executive Engineer or other passing officer will be the Treasury Officer's authority to pay the specified amount to the party. The Treasury Officer will send these paid vouchers to the Audit Office with his bi-monthly lists of payments and before making the payment will take care to see that the document is a genuine one and that it contains a stamped acknowledgment of the contractor. If the acknowledgment on the bills themselves is not stamped, that on the pass order sheet should be stamped with a receipt stamp. Both the acknowledgments, namely, those on the bill and on the pass order sheet need not be stamped with receipt stamps.

2. Departmental labour is not common and with the exception of the Cauvery Reservoir Works which are carried out wholly by departmental agency and the weekly payments for labour on which, amount to about Rs. 30,000, the amount of work done by departmental labour in the other Divisions is very small, and in all these cases, including those relating to the Cauvery Reservoir Works, payments should be made on muster rolls or task work statements from permanent advances given to the disbursing officers whether they be Executive Engineers in charge of Divisions or Sub-Divisional Officers. The amount of permanent advance to be held by each officer is separately fixed in Appendix A.

3. *Bills how to be audited and passed for payment by Divisional Offices.*—A register of permanent advances will be maintained in each Divisional and Sub-Divisional Office. Bills for recoupment of permanent advances drawn by Sub-Divisional Officers should be in duplicate and submitted to the Divisional Office, supported by all sub-vouchers. The original bill will be passed by the Divisional Officer and an order for payment of the proper amount should be recorded by him on it. The separate pass order sheet prescribed for contract certificates should not be used in the case of these recoupment vouchers which should be payable invariably to the Sub-Divisional Officer. When signing the pay order on the recoupment voucher the Divisional Officer himself should cancel the muster rolls and the other sub-vouchers below Rs. 25 submitted with it, in such a way that they cannot be used again and retain them in his own office with the duplicate bills. The original bills with the pass order duly signed by the Executive Engineer and with the other sub-vouchers will then be returned to the Sub-Divisional Officers for obtaining payment from the Treasury. The sub-vouchers should not be drawn in duplicate.

Sub-Divisional Officers are authorised to pay contractors' or pieceworkers' bills up to Rs. 100 a month for each contractor for each work. Such bills will be paid from the permanent advance and will be treated as sub-vouchers to recoupment bills to be passed for payment by the Executive Engineer.

4. *Payment of bills at Treasuries.*—If more than one contract certificate has to be passed for payment on the same day in favour of the same contractor all the contract certificates will be included in one pass order sheet in Form D, the numbers of the certificate passed, the names of the works and the amounts being shown separately in it. Thus, all such bills will have one such pass order sheet attached to them. If a bill is lost before payment, a duplicate of it will be prepared and passed for payment only after obtaining certificate from the Treasury Officer that the bill has not been paid. When such a certificate is once issued by the Treasury Officer, he will not make any payment on the original bi

thereafter. In such cases, the fact that the original bill has been lost, will be noted on the duplicate bill under the signature of the passing officer and the duplicate will bear the same number as the original bill.

Register of passed bills.

5. Bills will be serially numbered in the Divisional Office in one series throughout the year and entered on receipt in a register in appended Form 'A'. As each bill is passed for payment at the treasury or sub-treasury, it will be numbered in the Divisional Office and the number and date entered in a register in Form B, containing a reference to item No. in Register A and with columns, among others, for contractors' initials in token of receipt of the bill by the contractor and another column to show the date of payment at the treasury to be filled up from the pass book. Where a bill is sent by registered post, the date of despatch will be noted in the column "contractor's initials." The number of the bills should be continuous and serial for the whole official year and should include all work bills whether they are contract certificates or piecework bills or vouchers for recoupment of permanent advances for works but not those for contingent charges.

Compilation of accounts.

6. The Executive Engineer will prepare his accounts, on the basis of the duplicate bills retained by him and include the whole of their amounts in his accounts as expenditure even though some of them might not have been paid at the treasury; and at the end of the month, the total amounts of the bills passed for payment will be credited in his adjustment book to the head "Public Works Bills Payable" by *per contra* debit to the expenditure heads. Recoveries effected from bills, when creditable to a head or a work, other than the works from the bills for which they are made, should be adjusted through the adjustment book. Fines recovered from contractors will invariably be treated as a reduction of the charge on the work. The duplicate vouchers need not be submitted by him to the audit office, which will get the original bills when they are paid, as vouchers with the bi-monthly lists of payments of Treasury Officers.

Difference in treatment of work bills and salary, establishment, etc., bills.

7. The payments made by Treasury Officers on account of these bills will be debited in the treasury accounts to the head "Public Works Bills Payable," and the Comptroller will bring to account the amount of bills passed for payment by the Divisional Officer by *per contra* credit to the head "Public Works Bills Payable." The balance under this head will represent the amount of bills passed for payment by Public Works Officers but not yet paid by the treasury. This procedure will apply only in the case of work bills and not salaries, establishment, contingent and travelling allowance bills, as these will be treated by Treasury Officers like all similar bills presented by Officers of the Civil Department. They will not contain any passing orders by Public Works Officers, but will be simply receipted by them in token of having received payment. This absence of a passing order which will invariably state that the amount is to be debited to head "Public Works Bills Payable", and the absence of the printed ground work on salary, etc., bills will further help Treasury Officers to enable them to distinguish these bills, from work bills though the details of the charges given in them should be sufficient for the purpose. A Treasury pass book will be maintained, as at present, but instead of Letters of Credit and the payment of cheques being noted in it, the Treasury Officer will note in it the numbers and amounts of work bills paid by him. This will enable the Divisional Officer to ascertain what bills passed by him have not been paid at the end of the month and with his monthly accounts, he will send a list of these outstanding bills to the account office which will reconcile the balance of the head "Public Works Bills Payable" with these lists. He will also furnish the Audit Office without fail, on the last working day of every month, with a complete list of bills passed by him for payment at the treasury during the month. This list should be written up in the Executive Engineer's Office from day to day and its despatch to the Comptroller on the last working day of every month should not be delayed on any account by even a single day. The Divisional Officer should take steps to require the bills to be cashed as soon as possible. His register of bills and copies of the lists of outstanding bills will enable him to exercise a check and to secure the prompt payment of bills. The bills should be paid by Treasury Officers *only if they are presented before the end of the month following that in which they are passed for payment.* Bills not presented within that period should be required to be re-endorsed with a new date by the passing officer but their numbers should not be changed.

II. Form of bills, reduction in the number of running accounts and the upkeep of Contractors' Ledger.

Improvement in the form of bills.

8. (*a*) The forms of bills in use in the State differ from the standard Form No. 14 given in the Public Works Department Code and require a slight modification. In the portion headed "Memorandum of payments" below the line "Total value of work done," there are two lines "Deduct 5 per cent on account of reserve" and "Balance available for payment." The memo then shows the amount of previous payments and the payments now made, the total of which is deducted

from the total value of work done and a balance is struck showing the amount due to the contractor. This balance is thus shown twice in the memo and the two may not agree.

Advantages of revised form and facility in posting ledger.

At present, payment for materials supplied by contractors, when the contract is for finished work, is treated as 'materials at site' instead of as an advance and the value of Government materials issued does not appear in a contractor's account until the recovery is effected. The bill itself does not contain a complete and lucid record of the contractor's account for a work. It is essential that bills should be correct and self-contained and capable of being readily posted into the contractor's ledger. This can be effected in a simple way by introducing two entries below "Net due to or from contractor" in the last page of the contract certificate form as "Unadjusted Items, Advances on contractor's materials, and value of Government Materials supplied." In the case of Government materials handed over to a contractor, no bill is now prepared nor is a proper account kept. In future, the subordinate in charge of the work, will obtain an unstamped receipt for the materials, and will send it to the Divisional Office at once, when it will be posted in the contractor's ledger as an advance. The entry for it in the memo of payments in the next contract certificate, will be made from the ledger and the amount should be adjusted thereafter as soon as possible.

The memo of the bill form with the proposed changes explained is annexed (Form C) and it will be seen that the bill as revised shows the actual state of a contractor's account. In the memo of every bill submitted for audit and payment, the Sub-Divisional Office or the Divisional Office which prepares the duplicate copy of the bill, should quote reference to the previous bill and before the bill is passed for payment, the duplicate copy of the previous bill, which will be available in the Divisional Office, should be examined to see if the amount deducted on account of previous payments is correct. A reference to the succeeding bill then passed for payment should at the same time be recorded on the previous bill. When a succeeding bill containing a reference to the previous bill is therefore under examination, the previous bill will show whether any subsequent payments have been made and there will be no possibility of any intermediate payments being lost sight of. References to previous payments should also clearly indicate the schedule docket number, bill number and month of payment. If no previous payments have been made, the fact should be clearly noted in the bill.

(*b*) In future, where the value of work to be done by a pieceworker does not exceed Rs. 500, payment should be made on the completion of the work as the first and final payment. The instructions contained in Chief Engineer's No. 4-—5, dated 22nd December 1906, to the effect that no arrears should be left in discharging the claims of piece and taskworkers, remain practically a dead letter. P. W. Code, Form 15, will be used for the purpose of recording first and final payments.

(*c*) With a view to exercising a systematic watch over dues to and from contractors, a contractor's ledger in P. W. Form 36 should be maintained in the Divisional Office and a monthly list of balances due to and from contractors should be submitted to the audit office.

III. 'C' Registers, Schedule of Expenditure and Schedule Dockets.

Posting of "C" Registers.

9. The "C" Registers will be posted day by day in the Divisional Office from the duplicate bills, the stock accounts and the adjustment book. The stock accounts, on receipt from the Sub-Division, will be priced and abstracted by heads of account and sub-heads of stock as hitherto and posted into the stock abstract book as well as the "C" Registers. The adjustment book will also be maintained as at present and the transactions will be posted in the "C" Registers every day as they occur. At the end of the month, the postings in the "C" Registers will have to be totalled in respect of the amount of passed bills, adjustment items, and stock issues.

10. To enable the "C" Registers to be completed and made ready for the compilation of accounts on the first of the following month and to facilitate the advancement of the date of submission of accounts, the sub-divisional stock accounts should be closed two or three days earlier than the last day of each month, the due date being fixed by the Executive Engineer except in June when they should be closed on the last day.

11. The closing and the submission of the materials at site statement will also be similarly advanced.

12. The "C" Register should be maintained in the Divisional Office, in two parts:—namely, Part I for works accounted for by sub-heads and Part II for other works. As explained above, the "C" register should be compiled in the Divisional Office and a copy of it sent to the Sub-Division which should return it at the beginning of every month to the Divisional Office to be returned as soon as possible after being written up with reference to the registers maintained there. Both the Executive Engineer and the Sub-Divisional Officer will then

have a permanent and collective record of work done, except that the Sub-Division copy will be in transit for the first few days of a month. An office copy of the schedule of expenditure will then be unnecessary. The Executive Engineer will always have a ready available means to exercise an effective control, when the register is written up under his accountant's supervision and submitted for his initials every month. The Divisional Office might be strengthened at the discretion of the Executive Engineer by the addition of one or two of the Sub-Divisional Assistant clerks for the purpose of upkeep of the "C" Register.

Schedule dockets and schedules of expenditure.

13. To relieve Divisional Offices of a great portion of the clerical work now involved in the compilation of the monthly accounts, the preparation of the schedules of expenditure should be discontinued. The schedule of expenditure is an extract, from the registers of works ("C" Registers), of the transactions relating to works on which expenditure has been incurred during the month and its abolition will in no way weaken the control of the Executive Engineer over the progress of work in the division, as this control has to be exercised by an examination of the register of works and not by reference to the schedule of expenditure, which shows only the works operated on during the month; and even the latter purpose will be served by "C" Registers. It should be noted that the primary object of the schedule of expenditure is the posting of the sub-registers of the Audit Office, which will in future be posted from the schedule dockets.

14. The schedule docket which is at present submitted (one for each work operated on) will be a little more amplified to give the amount and register number of estimate as well as the progressive outlay during the year and since commencement and the amount of appropriation in the case of major works, required for posting the registers of the Audit Office in the absence of the schedule of expenditure which is to be dispensed with. The abstract of the schedule showing the total expenditure by departmental heads under each fund will continue. This will be compiled from a skeleton abstract of the schedule dockets working up to the total monthly expenditure under each head and will show the expenditure on major, minor and repair works separately for comparison with appropriations. Sample forms of schedule dockets showing the modifications required (Form E) and of the abstract of the dockets (Form F) are attached.

IV. Completion Reports.

15. Completion reports should be sent in future by the Executive Engineer through the circle office. The Superintending Engineer will notice any long delays between the date of completion of the work and the date of submission of the completion report, as also any large savings or excesses on estimates and should enquire into and take action in regard to avoidable delays and unexplained lapses or excesses. When completion reports are not received by the audit office in future within three months after completion of the work, the matter will be reported by the Audit Office to the Superintending Engineer who will be held responsible for further delay. A quarterly report of overdue completion reports will be submitted also to Government by the audit office through Superintending Engineers who will be required to forward them to Government within a week after receipt with an explanation of the delay in each case.

V. Accounts of Revenue.

Revenue accounts and rent returns.

16. As regards revenue, the realisations will be entered in a cash book on the receipt side and when they are paid into the Treasury, which will be done as soon as the amounts are recovered, they will be charged on the payment side. Bills passed for payment should not be entered in the cash book. The payments into the Treasury will be accompanied by the remittance book and a challan to be retained by the Treasury, which will show the head of account to which the amount remitted is to be credited in the treasury accounts.

There should be no cash balance at the end of a month and miscellaneous revenue received on the last day of a month after business hours, when it cannot be paid into the Treasury the same day, will be brought on the cash book of the next month as if it was received on the first working day of that month. In the case of amounts paid into treasuries (including sub-treasuries) direct by other parties, the Treasury Officer will credit them direct to the Public Works heads of account and forward the duplicate copy of the challan to the Public Works Officer concerned who should bring the amount on his cash book at once by *per contra* debit as a remittance to the Treasury. At the end of the month, the Executive Engineer will obtain from the Treasury a consolidated Treasury receipt showing the total amount received by the Treasury Officer and the heads of account, and will forward it to the Audit Office after comparing it with his cash book and recording on it a certificate that the total amount agrees with the total remittances shown in his cash book. No extracts from his cash book need be sent to the Audit Office as the Treasury Officer will bring the amounts

in his treasury accounts direct under the proper heads concerned which will be shown in a separate schedule accompanying his accounts and all that will be necessary for the Account Office to see is that this schedule agrees with the consolidated receipt in all respects. In the case of property from which regular revenue can be looked for, the usual register of miscellaneous properties can be continued so as not to weaken administrative control. In fact, there is no register at present in use; but one is necessary for showing the nature of property from which regular revenue can be expected and the total revenue realised. The register should be in Form G and should show, for purposes of comparison, realisations for two years and any falling off or increase should be briefly explained. Without a register of this kind, it is not possible to know what the sources of miscellaneous revenue in the Division are and how much is realised. The rent return should be prepared and submitted along with the statement of recoveries in other departments (Form 44-B) as at present. In regard to profits on workshop jobs, the credit of the centage charges to revenue will be adjusted as hitherto.

VI. Other Accounts.

17. The transfer schedules both for debits and credits will follow the usual procedure. The amounts of deposits will be paid into the treasury as received, and accounts for them maintained in a separate register in Civil Account Code Form 41. Repayments will be made on deposit refund forms either from the permanent advance or by passing bills for payment at the treasury, accompanied by a pass order sheet in Form D. Repayments made from the permanent advance will be recouped by means of recoupment bills along with other payments made from the same advance. Amounts of deposits will be paid into the treasury by others also with challans in triplicate, one copy of which will be forwarded to the Public Works Officer concerned at once, who will bring the amounts on his deposit register. The amounts received in the treasury, whether from a Public Works Officer or any one else, will be credited in the treasury accounts to the head "Public Works Deposits" but no detailed register will be maintained in the treasury for such deposits. Repayments made by the treasury on bills passed for payment by Public Works Officers will be debited to "Public Works Bills Payable" by the treasury and accounted for in the register of bills of the Divisional Office. The repayment vouchers will always give reference to the number and date of the original deposit in the deposit account of the Public Works Officer. The Divisional Office will send to the Audit Office a monthly extract of its deposit register in the same form in which it is maintained as also a monthly list of the repayments authorised to be made from the treasury. Repayments made from the permanent advance will not be included in the monthly accounts rendered to the Comptroller until the recoupment bill has been cashed from the treasury. The transactions under "Deposits" during the month in cash should be distinguished from adjustment transactions. At the end of every month, a memo should be prepared showing the opening balance, the total receipts and total repayments, and the closing balance under the head. The total receipts and payments should agree with the total credits and debits in his deposit registers. The credits will not find a place in their monthly accounts but the repayments will appear as charges the vouchers for which will reach the Comptroller with the bi-monthly lists of payments as in the case of payments for work bills. In the case of deposits not claimed within the prescribed period and consequently lapsing to Government, a list will be sent to the Audit Office once a year. The amount will be adjusted in the Audit Office by credit to "Revenue" and intimation will be sent to the Divisional Office for noting the fact in its deposit register.

Debt and Transfer Schedules.

A register will be maintained for "Miscellaneous Advances" in Public Works Form 30 (C) and an extract from it showing the transactions of the month and the outstanding balances will be submitted monthly to the Audit office.

VII. Abolition of Letters of Credit.

18. The primary responsibility for seeing that the grant is not exceeded rests with the spending officer and the function of audit is only to bring to the notice of the authorities concerned, any excess of expenditure up to date over the budget allotment or over the grant as it stands at the end of each month and to ask for sanction, if the grant has been or is about to be exceeded. It is unnecessary, therefore, that in the Public Works Department, the Audit Office should inform Treasury Officers of the extent of drawings which may be allowed to Executive Engineers every month and thus exercise an additional control to see that the grants are not exceeded. Applications for Letters of Credit and drawing of cheques against them are therefore abolished. The register of liabilities will however continue to be maintained to enable the Executive Engineer to regulate his expenditure against grants. By abolishing the system of Letters of Credit, the following saving of work will be effected in Divisional Offices :—

Saving of work by abolition of Letters of Credit.

1. Preparation of the application for Letters of Credit.

2. Preparation of extracts from Register of Liabilities in the last months of the year.
3. Maintenance of a separate running account for Letters of Credit in the cash book in which the credits are posted on the receipt side and a balance is struck each month.
4. The work involved in striking a balance in the counterfoil of the cheque book every time a cheque is drawn.
5. Reconciliation of the treasury and cash book balances of the Letters of Credit in forms 20-A and 20-B.

VIII. Lists of Temporary Establishment Charged to Works.

19. These lists will not be submitted in future to the Audit Office by Executive Engineers, as a distinct provision should be made in estimates and charges for works establishment audited against it.

20. The pumping and maintenance establishment of the Water-Supply Division will be charged to the head "Establishment" under proper sanction and the present list of works establishment discontinued in this case also.

IX. Divisional and Sub-Divisional Accounts and Registers.

21. Under the new system, the registers and accounts to be maintained by Sub-Divisional Officers and Executive Engineers and the accounts and documents to be submitted by the former to the latter as also those to be submitted by the latter to the Audit Office will be as mentioned below :—

A.

Registers and Accounts to be maintained by Sub-Divisional Officers.

1. Two Permanent Advance Registers, one for the advance allowed for contingent charges and the other for expenditure on works.
2. Triplicates of work bills submitted to Divisional Office.
3. Materials at site accounts.
4. Register or account of daily receipts and issues of stock.
5. Abstract of stock received.
6. Abstract of stock issued.
7. Monthly return of receipts, issues and balances of stock.
8. Register or account of daily receipts, and issues of tools and plant.
9. Monthly return of receipts, issues and balances of tools and plant.
10. Half-yearly register of stock.
11. Yearly return of tools and plant.
12. Measurement books.
13. Progress reports.
14. Completion reports.
15. Indents for stores.
16. Copies of estimates.
17. Copies of agreements.
18. Schedule of rates.

All the above are maintained at present with the exception of the two registers numbered 1 which will take the place of the imprest account now maintained.

B.

Accounts to be rendered by Sub-Divisional Officers to the Executive Engineer.

1. Recoupment bills in duplicate for permanent advances for both contingent charges and expenditure on works repayment of deposits, etc., met from permanent advances, the original to be returned with pay order.

2. Work bills in triplicate (the original to be passed for payment at the treasury, the duplicate to be retained in Divisional Office and the triplicate to be returned to Sub-Divisional Office).

3. Copies of items 3, 5 to 7 and 9 of Statement A to be sent at the end of the month and retained in Divisional Office and 4 and 8 in original which should be returned ; and half-yearly and yearly copies of 10 and 11.

4. Measurement Book with each final bill sent for audit and payment.

5. Indents for Stores.

6. Completion Reports.

No. FL. 7750-99—G. F. 219-16-1, DATED 22ND JUNE 1917.

All the above are being submitted at present except that work bills whether in recoupment of permanent advances or not will be in new forms. Besides the above some other returns are submitted at present. They will either be discontinued or prepared in the Divisional Office.

C.

Registers and Accounts to be maintained in the Divisional Office.

1. Cash book.
2. Register of bills received for audit. (New.)
3. Register of passed bills. (New.)
4. Adjustment book.
5. Stock abstract book.
6. General abstract book (abstract of 3, 4 and 5).
7. "C" register in two parts.
8. Register of sanctioned estimates.
9. Register of appropriations.
10. Register of liabilities.
11. Register of miscellaneous advances (in place of office copies) and schedules of stock purchases and sales on credit. (Office copies.)
12. Contractors' Ledger. (New.)
13. Monthly statement of tools and plant.
14. Half-yearly returns of stock with supplement thereto.
15. Yearly returns of tools and plant.
16. Register of deposits in Civil Account Code Form 41 (in place of office copies).
17. Transfer advice books, acceptance books and write-back orders.
18. Registers of contingent charges and of expenditure on works met from permanent advances with recoupment bills in duplicate. (New)
19. Acquittance rolls for establishment and for travelling allowance of establishment.
20. Service books.
21. Pass book.
22. Cash remittance book.
23. Register of miscellaneous properties.
24. Do measurement books.
25. Do agreements.
26. Do incumbents.
27. Do securities.
28. Do land.
29. Do buildings.
30. Originals of estimates.
31. Do agreements.
32. Schedule of rates.

D.

List of Accounts and Documents to be rendered to Comptroller Monthly.

1. Statement showing amounts of bills passed for payment at the treasury every month, to be sent on the last day of each month.
2. List of accounts submitted to the Comptroller.
3. Executive Engineer's acknowledgment of responsibility for accounts sent under Accountant's initials.
4. Account-current.
5. Statement showing total amount of bills paid and the balance payable, with a detailed list of unpaid bills.
6. Consolidated treasury receipt for remittances sent to the treasury.
7. Schedule of Transfers, Divisional.
8. Schedule of miscellaneous receipts and payments originating in the Civil Department and adjustable by P. W. D.
9. Schedule of stock and other adjustment transactions adjustable by Civil.
10. Schedule of Deposits in C. A. C. Form 41, showing receipts of deposits during the month and a schedule of repayments.
11. Schedule of contributions.

12. Return of buildings.
13. List of Officers occupying Government buildings and the recoveries effected from them.
14. Abstract of expenditure by fund and departmental heads.
15. Schedule dockets with write-back orders and adjustment vouchers attached and with a skeleton abstract to bring out the total for each head of account.
16. Schedule of miscellaneous advances.
17. Stock account-current.
18. Schedule of stock purchases on credit.
19. Schedule of stock sales on credit.
20. List of balances due to and from contractors.
21. Statement of tools and plant.
22. Account-sales of stock and tools and plant.
23. Completion reports of works completed during the month or a previous month if not already submitted.
24. List of completion reports due but not yet submitted (quarterly).

Reduction of work summarised.

22. The following reduction of work will be effected in the Divisional Offices in consequence of the above changes and the payment of establishment bills at treasuries.

1. Abolition of the entries in cash book relating to salaries, establishment, travelling allowance and contingencies.
2. Saving of work in drawing out cheques for the above and keeping up a running account on counterfoils.
3. Non-preparation of the schedule of establishment charges and the consequent saving of all correspondence connected therewith.
4. Non-preparation of revenue schedules.
5. Abolition of the schedule of expenditure.
6. Non-submission of a monthly schedule of deposits showing the details of all deposits outstanding month after month.
7. Abolition of the system of Letters of Credit and of the submission of a monthly application and an extract from the Register of Liabilities during the last four months of the year.
8. Saving of correspondence due to the "C" Register being maintained in the Divisional Office and duplicate copies of bills being kept there and ability of Executive Engineer to settle most objections raised by the Audit Office, without reference to the Sub-Divisional Office.
9. Abolition of the monthly statement of temporary establishment.
10. Reduction in the number of running accounts and number of vouchers, in consequence of payment for small works by means of a single final bill.

23. The divisional accounts will accordingly be rendered to the Audit Office not later than the 6th of the month following that to which the accounts relate.

———

FORM A.

Register of Bills Received for Audit in Divisional Office.

Serial number	Name of contractor and brief reference to work	Amount			Date of measurement	Date of preparation of bill	Date of submission of bill for audit	Date of completion of audit	Reference to Item No. in the Register of passed bills	Remarks explaining delays, etc.
		Rs.	a.	p.						

No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

FORM B.

Register of passed bills.

Serial number of bills	Reference to Item No. in Register of bills received for audit in the Divisional Office	Name of payee	Schedule docket No.	Name of work	Head of account	Amount Rs.	Amount a.	Amount p.	Contractors' initials or reference to No. and date of forwarding memo	Date of payment
				Total for the month						

ABSTRACT.	Rs.	a.	p.
Balance of unpaid bills on the last day of previous month.			
Bills passed during the month.			
Total ...			
Bills paid as per pass books.			
*Balance ...			

* (List of unpaid bills to be detailed.)

No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

FORM C.

Memo of payments on work bills.

Total value of work done			.....
Amount to be held in reserve being per cent Rs...		.....	
Deduct payments—			
Amount of previous payments as in bill No. dated, Schedule docket No.		.....	
Amount of contract certificate paid from permanent advance not yet recouped.		.....	
Payment now made			
Amount of cash advances adjusted		.....	
Recovery of value of stock supplied		.....	
Amount paid on this bill		.....	
	Total ...		.....
Unpaid balance of value of work done held in reserve			.....
Deduct Cash advances made			
Net due to or from contractor			.....
Unadjusted items			
Advances for contractors' materials			
Value of Government materials supplied			
	Net unadjusted ...		.....

Signature of contractor.

Here put in Stamp "Pay order issued."

Received the sum of Rs. (in words)..... .....

Receipt Stamp.	Signature of Executive Engineer.

Witnesses 1.

„ 2.

Signature of Contractor.

No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

FORM D.

No..... *Division.*

Bills Nos.....

(THIS ORDER WILL BE CURRENT TILL THE END OF THE NEXT MONTH.)

Name of Contractor.....

Number of passed bill	Name of work	Amount Rs.	a.	p.
	Total Rupees (in words).....			
	.....			

For use in Treasury.

Month.....191

No. of Voucher.....$\frac{\text{I}}{\text{II}}$List.

Pay Rupees (in words).....

.....

.....and debit the amount to "Public Works Bills Payable."

Treasury Accountant. *Treasury Officer.*

Station.....

Dated.....191

Passed for payment of Rupees (in words).....

.....to Contractor.....

or order, at the.....Treasury, to be debited to "Public Works Bills Payable."

Contents received

Executive Engineer,.....Division.

Contractor.

Comptroller's Office. Works Audit Section.....Group.

Number of bill.....dated.....
" ..... " .....
" ..... " .....
" ..... " .....

} Checked arithmetically.

Assistant Auditor.

Checked finally.

Admitted Rs.....

Objected to Rs.....(*Vide No*.....in Form 96 B)

Remarks—

Auditor. *Superintendent.* *Gazetted Officer.*

No. Fl. 7750-99—G. F. 219-16-1, dated 22nd June 1917.

FORM E.

SCHEDULE DOCKET OR LIST OF VOUCHERS.

Division.....No..... Month.....191

Name of work—

Register number and amount of estimate—

Head of account—

State whether "in progress" or "completed".....

	Amount	Remarks
	Rs. a. p.	
Bills Nos.	.....	
Adjustment—		
Total bills and adjustments ...	.....	
Charges for stock	.....	
Total ...	.....	
Deduct refunds directly credited in Treasury accounts—	.....	
Net charges of the month	.....	Amount of appropriation.
Progressive outlay of the year	.....	
Do Up-to-date since commencement	.....	

No. FL. 7750-99—G. F. 219-16-1, DATED 22ND JUNE 1917.

FORM F.

ABSTRACT OF SCHEDULE DOCKETS.....DIVISION FOR.....191 .

Fund	Number of Schedule docket	Bills passed and adjustments	Stock	Total	Deduct cash refunds directly credited in Treasury accounts	Net charges
24. Civil Works—		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Major	1	...				
	2	...				
	3	...				
	etc.	...				
Minor	4	...				
	5	...				
	6	...				
	etc.	...				
Repairs ...	7	...				
	8	...				
	9	...				
	etc.	...				
Tools and plant—New supplies.	10	...				
	11	...				
	etc.	...				
Repairs and carriage ...	12	...				
	13	...				
	etc.	...				
Total 33, Civil Works...	...	...	...	...	...	...
J.—IRRIGATION.						
23. Minor Works—						
Original Works ...	1	...				
	2	...				
	etc.	...				
Repairs ...	3	...				
	4	...				
	etc.	...				
and so on for other funds ...	...	...				

FORM G.

Register of Miscellaneous Revenue Yielding Property.

Ssrial No.	Description of property	Number and date of lease agreement and sanction thereto	Period of lease	Average revenue for past three years	191 —191				191 —191				Remarks explaining increase or fall of revenue
					Amount of lease	Collections		Balance	Amount of lease	Collections		Balance	
						Item No. in cash book and month of receipt	Amount	Amount / Date of recovery		Item No. in cash book and month of receipt	Amount	Amount / Date of recovery	
1	2	3	4	5	6	7	8	9 / 10	11	12	13	14 / 15	16
				Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	

D 3179

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comn. please refer to
No. G.A.I. 1738

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 25 June 1917.

G.F. 219-16-2

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
Offg. Comptroller to the Government of His Highness the Maharaja of Mysore.

To

....., ESQ.,
The *Secretary to the Government of Mysore,*
.....Financial.....*Department.*

SIR,

I have the honor to acknowledge the receipt of Government Order No.Fl.7750-99/G.F.219-16-1 dated the 22nd June 1917 regarding the reform of the Public Works system of Payments and Accounts.

2. It is directed in the order that the new procedure should be given effect from the 1st July 1917. The suggestions of Mr.Datta in regard to the simplification of accounts work in this office and the amalgamation of its Civil and Public Works Branches, approved by Government, are being introduced. As regards the adoption by the Divisional Offices of the new procedure, the 1st of July next is too early a date and there is not sufficient time before that date for the detailed instructions to reach all the officers of the Public Works Department and for the instructions being carefully studied before being followed. The new procedure will, therefore, be introduced from the 1st August 1917.

I have the honor to be,
Sir,
Your most obedient servant,

Comptroller.

C./35-6

25.6.17

WD.0922—GPB—3,000—14-12-16

C. O. 42–Rec.—17]

....Department

191

FROM

M. N. KRISHNA RAO, ESQ., B.A.,

Offg. Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

.....ESQ.,

Secretary to the Govt. of Mysore,

Dept.

Dated

Despatched

Received

No.....

Subject matter.

G.R.S. 28] 10 copies

File No. 219-16
Serial No. 3

Diary No. of letter replied to 3179.

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
(G.7)

, *the* 191

READ—

G.O. no. R 7750-99 & 22.6.17
G.7 219-16-1
passing orders on the proposals of Mr K.L. Dalla, Special Officer, regarding the reform of the Public Works System of Payments and Accounts

2. Letter no. 11900 & 25.6.17
G.A.I 1728
from the Comptroller to Government, stating that Mr Dalla's suggestions in regard to the simplification of accounts work in his office and the amalga-

over.

Date of issue 30-6-17

Signed by [illegible]

ORDER THEREON.—No.

and directing that the new arrangement be given effect to from 1.7.17

SUBJECT.

GPB—50,000—1-12-12

matian of its Civil and P.W. Branches are being introduced and that as there is not sufficient time before 1.7.17. for detailed instructions to reach all the ~~[illegible]~~ officers of the P.W. Dept, the new procedure will be introduced in the Divisional offices from 1.8.1917.

Order. No.

Fe 8170 – 8219
& 30.6.1917

The Comptroller's proposal is approved.

18/29.6.17
For Fin[l] Secretary.

May this be Printed ?
Trichinopoly S.O. ?

To The Comptroller to Govt.
" Secretary to Govt, PW Dept.
" Chief Engineer, P.W. Dept.
" Chief Electric Engineer
" Revenue Com[r]
All Superintending & Executive Engineers
~~" H.L. Datta, Special Officer~~
Other Heads of Depts.

for MM
29/6

F. 219-16-1.

D 323

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters, below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

the communications

No. 425

FORM 137

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 18th August *1917*.

11 AUG 1917

~~DIWAN BAHADUR J. S. CHAKRAVARTI, Esq., M.A.,~~

M. N. Krishna Rao Esq.,

~~F.R.A.S., ETC.,~~

Comptroller to the Government of His Highness the Maharaja of Mysore.

To Rajamantrapravina Diwan Bahadur J. S. Chakravarti, Esq., M.A., F.R.A.S., etc

Secretary to the Government of Mysore,

Financial *Department.*

Government Order No.7750-99/F.F.219-16-1 dated 22nd June 1917 re: Reform of Public Works System of Payments and Accounts.

~~Sir~~,

Sir,

I have the honor to state that in the above Government Order, no permanent advance has been sanctioned to No.IV, Shikaripur Sub-Divisional Officer, Shimoga Division, who had hitherto Rs.1,000/ as imprest allowed by the Executive Engineer, Shimoga Division, I request that sanction of Government may kindly be obtained for the grant of a Permanent Advance of Rs.500/- to this Sub-Division. I think this amount is sufficient and it may be increased, if necessary later on.

I have the honor to be,

Sir,

Your most obedient servant,

SAM.

Comptroller.

11.8.17

GPB—2,000—25-8-1

C. O. 42-Rec.—17]

.....Department.

191 .

FROM

DIWAN BAHADUR
J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., ETC.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

....., ESQ.,
Secretary to the Govt. of Mysore,
Dept.

Dated

Despatched

Received

No..... .....

Subject matter.

G.R.S. VI-71]

SUBJECT Grant of a Permanent Advance of Rs. 500/- to Shi Kanipur Sub-Division P.W.D.

Diary No. of letter replied to 323.

Section G.T.
File No. 219-16.
Serial No. 6

General and Revenue Secretariat
( )
, the 191 .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 31-5-1917

Signed by Sir B. Srinivasa Iyengar

Read.— Letter No. 2425/137 & 12th August 1917 from the Comptroller, stating that in the G.O. No. H. 7750-99/G.T. 219-16-1 & 22-6-17 passing orders on the proposals of Mr. K.L. Datta, Special Officer, regarding the Reform of the Public Works System of Payments and Accounts, no permanent advance has been sanctioned

over.

y this be
i Printed?
ii treated as a standing order?
ublished in the Gazette English part?
iv translated?
v placed at the disposal of the press?
vi published in the Gazette Kannada part?

~~Order Thereon: No.~~

to No. IV, Shikaripur Sub-Divisional Officer, Shimoga Division, and recommending, for reasons stated, that a temporary advance of Rs. 500/- may be granted to that Officer.

Order No. PWD 107 S&B 81, dated 31-8-17

The proposal of the Comptroller is sanctioned.

16/24/8

For Finl. Secy.

To

The Comptroller.

The Secy. to Govt. P.W.D.

The Chief Engineer, P.W.D.

The Executive Engineer,
Shimoga Division.

Recd 24/8.

recer 29/8

List of enclosures.

Copied by

Examined by